

EXHIBIT E

000054

REVISED AND AMENDED TRUST AGREEMENT FOR
CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

This AGREEMENT and DECLARATION of TRUST, made and entered into this sixteenth day of March, 1955 by and between CENTRAL CONFERENCE OF TEAMSTERS, SOUTHERN CONFERENCE OF TEAMSTERS, and their affiliated Local Unions, hereinafter referred to collectively as the "UNION", and the SOUTHERN MOTOR CARRIERS LABOR RELATIONS ASSOCIATION; MOTOR CARRIERS EMPLOYERS CONFERENCE - CENTRAL STATES; CARTAGE EMPLOYERS MANAGEMENT ASSOCIATION; CLEVELAND DRAYMEN ASSOCIATION, INC.; and NORTHERN OHIO MOTOR TRUCK ASSOCIATION, INC.; for and on behalf of themselves, their constituent members, and such other Employers who are or may become parties hereto, hereinafter collectively referred to as the "EMPLOYER", and the individual Trustees, hereinafter referred to as the "TRUSTEES", selected as hereinafter described, accepting the Trust obligations herein declared:

W I T N E S S E T H:

WHEREAS, the Union and the Employer believe that it is in the best interest of the Employees of such Employer represented by the Union, and the families and dependents of such Employees, to provide for retirement benefits and for that purpose to establish a Trust Fund as hereinafter provided; and

WHEREAS, the Union and the Employer have heretofore entered into collective bargaining agreements under the terms of which it is provided that the Employer shall contribute certain agreed-upon sums of money therein set forth to a Pension Fund, which shall be known as the CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND; and

WHEREAS, Employee Trustees and Employer Trustees have been designated as the Trustees of the Trust in accordance with the provisions of such Agreement.

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the Union and the Employer hereby accept and adopt all of the provisions herein contained, and the Trustees declare that they will receive and hold the contributions and any other money or property which may come into their hands as Trustees (all such contributions, money and property being hereinafter referred to as "the Trust Fund"), with the powers and duties, uses, and purposes as hereinafter set forth, to-wit:

ARTICLE I
DEFINITION OF TERMS

Sec. 1. Employer - The term "Employer" as used herein shall mean any employer who is bound by a collective bargaining agreement with the Union, or any employer not presently a party to such collective bargaining agreement who satisfies the requirements for participation as established by the Trustees and agrees to be bound by this Agreement.

Sec. 2. Union - The term "Union" as used herein shall mean those Local Unions which the Board of Trustees determines to have been the affiliated Local Unions of the Central Conference of Teamsters and the Southern Conference of Teamsters when those two conferences were dissolved in or around June, 1994, and such other unions as the Trustees may agree upon, provided that all such determinations by the Board of Trustees shall be binding upon all participants and beneficiaries of the Fund and upon all other entities having or claiming any interest in the Fund.

Sec. 3. Employee - The term "Employee" as used herein shall include:

- (a) A person who is employed under the terms and conditions of a collective bargaining agreement entered into between an Employer as herein defined and a Union as herein defined, and on whose behalf payments are required by such collective bargaining agreement or applicable law to be made to the Fund by the Employer; or
- (b) All persons employed by the Union, upon being proposed by the Union and after acceptance by the Trustees; and as to such Union personnel the Union shall be considered an Employer solely for the purposes of contributions within the meaning of this Agreement and Declaration of Trust and shall, on behalf of such personnel, make payments to the Trust at the times and at the rate of payment equal to that made by any other Employer who is a party to the Trust for the same benefits; or
- (c) All persons employed by the Central States, Southeast and Southwest Areas Pension Fund or Central States, Southeast and Southwest Areas Health and Welfare Fund upon acceptance by the Trustees; and as to such Trust personnel the Trustees shall be deemed an Employer, solely for the purpose of contributions, within the meaning of this Agreement and Declaration of Trust and shall, on behalf of such personnel, make payments to the Trust at the times and at the rate of payment equal to that made by any other Employer who is a party to the Trust for the same benefits.
- (d) All persons who are Trustees of Central States, Southeast and Southwest Areas Pension Fund or Central States,

Southeast and Southwest Areas Health and Welfare Fund upon acceptance by the Trustees, as hereinafter defined; and on behalf of such persons who are Trustees, their Employers shall make or be presently required to make contributions to the Trust at the times and at the rate of payment equal to that required by any other Employer who is a party to the Trust for the same benefits.

- (e) In all instances the common law test or the applicable statutory definition of master-servant relationship shall control employee status;
- (f) The continuation of employee status once established shall be subject to such reasonable rules as the Trustees may adopt according to law.

Sec. 4. Trustees - The term "Trustees" or "Board" as used herein shall mean the Trustees designated in this Agreement and Declaration of Trust together with their successors designated and appointed in accordance with the terms of this Agreement.

Sec. 5. Trust Fund or Fund - The term "Trust Fund" or "Fund" as used herein shall refer to all property of whatever nature which shall be in said Trust created by this Agreement.

Sec. 6. Employer Contributions - The term "Employer Contributions" as used herein shall mean payments made by Employers to the Trust Fund herein created.

ARTICLE II CREATION OF TRUST FUND AND BOARD OF TRUSTEES

Sec. 1. Designation - The Union and the Employer hereby create and establish, with the Trustees herein provided for, a Trust to be known as the Central States, Southeast and Southwest Areas Pension Fund which shall be comprised of assets derived from Employer Contributions made pursuant to the collective bargaining agreement between the parties (plus any additional sum or sums from Employer Contributions which may hereafter be agreed upon by the Employers and the Union set forth in written collective bargaining agreements), together with all insurance and annuity contracts (including dividends, refunds, or other sums payable to the Trustees on account of such insurance and annuity contracts) and all investments made and held by the Trustees on account of such insurance and annuity contracts, all investments made and held by the Trustees, all moneys received by the Trustees as contributions or as income from investments made and held by the Trustees or otherwise, and any other property received and held by the Trustees for the uses, purposes, and trusts set forth in this Agreement and Declaration of Trust, where any of the foregoing is derived from the Employer Contributions.

Sec. 2. Board of Trustees - There is hereby created a Board of Trustees consisting of five (5) persons representative of the Employers and five (5) persons representative of the Employees.

The Employer Trustees shall be designated as follows: two (2) Trustees shall be designated by Motor Carriers Employers Conference - Central States; and one (1) Trustee shall be designated by each of the following entities: Southern Motor Carriers Labor Relations Association, Inc.; Cartage Employers Management Association; and United Parcel Service of America, Inc. The initial designation and appointment of an Employer Trustee by United Parcel Service of America, Inc. shall be made during April, 1998, for a term of office that will commence on June 1, 1998, and expire on March 31, 2004.

The Employee Trustees shall be designated as follows:

- A. The designation and appointment of each of the four Employee Trustees' that was made before March 30, 1998, and that is in effect on March 30, 1998, will remain in effect until expiration of the term of office of such appointed Employee Trustee, except in the event of a vacancy.
- B. The initial designation and appointment of a fifth Employee Trustee shall be made by the Central Trustee Appointment Board during April, 1998, for a term of office that will commence on June 1, 1998, and expire on March 31, 2004.
- C. Each designation and appointment of an Employee Trustee for a term of office that begins on or after April 1, 2000, and for an unexpired term in the event of any vacancy, shall be made, on behalf and as representative of the Union, by the Central Trustee Appointment Board or the Southern Trustee Appointment Board as appointing authority, for terms of office hereinafter specified in this Section 2 of Article II of this Agreement.

In accordance with prior amendments of this Agreement, the term of office of each Trustee is a multi-year period, subject to reappointment of the same Trustee or appointment of another Trustee by the appointing entity at the end of such multi-year period, and also subject to appointment of a Successor Trustee pursuant to Section 5 of Article II of this Agreement. The multi-year period of every such appointment and reappointment of a Trustee shall be five (5) years, commencing on April 1 of 2000 and of each year thereafter. The terms of office of one Employer Trustee and one Employee Trustee will expire on March 31 of each year, commencing on March 31, 2000.

Upon expiration of the term of office of an Employee Trustee on March 31 of each of 2000, 2002, 2003 and 2004 (and on March 31 of every fifth year after each such year), the Central Trustee Appointment Board shall designate and appoint an Employee Trustee

to serve for a five-year term of office that will commence, respectively, on April 1 of 2000, 2002, 2003 and 2004 (and on April 1 of every fifth year after such year), which designation and appointment will be made in accordance with procedures established by the Board of Trustees. Upon expiration of the term of office of an Employee Trustee on March 31, 2001 (and on March 31 of every fifth year after 2001), the Southern Trustee Appointment Board shall designate and appoint an Employee Trustee to serve for a five-year term of office that will commence on April 1, 2001 (and on April 1 of every fifth year after 2001), which designation and appointment will be made in accordance with procedures established by the Board of Trustees. The authority and responsibility of the Central Trustee Appointment Board and the Southern Trustee Appointment Board, including procedures for appointment of the members of each such board and procedures for each such board's appointment of Employee Trustees, shall be established by the Board of Trustees (with appropriate abstentions), which shall be solely authorized and responsible to determine with finality whether or not any individual has been duly appointed as a member of the Central Trustee Appointment Board or the Southern Trustee Appointment Board in accordance with such procedures, to determine with finality whether or not any Employee Trustee has been duly designated and appointed in accordance with such procedures (after December 31, 1994), and to determine with finality the binding interpretation and/or resolution of all questions, objections, challenges and disputes that relate to application of such procedures.

Sec. 3. Term of Trustees - Each Trustee shall serve until expiration of his term of office established in accordance with Section 2 of Article II of this Agreement or until, on a date prior to expiration of his term of office, he shall die, become incapable of acting hereunder, resign, become disqualified for the position under applicable law or under Section 9 of Article XIV of this Agreement, or be removed as herein provided.

Sec. 4. Manner of Acting in Event of Deadlock - In the event a deadlock develops between the Employer and Employee Trustees, or between the Trustees, the Trustees shall appoint a neutral party empowered to break such deadlock within a reasonable length of time. Such neutral party may be appointed in advance of any such deadlock. In the event the Trustees are unable to agree upon a neutral party, or in the event such neutral party is unable to act, either the Employer or the Employee Trustees may petition the District Court of the United States for the Northern District of Illinois, Eastern Division, for appointment of a neutral person, as provided in Section 302(c) of the Labor Management Relations Act of 1947, as amended.

Sec. 5. Vacancy in Board of Trustees - In case of vacancies by death, legal incapacity, resignation or otherwise of the Employer Trustees or Employee Trustees, a successor thereto shall be appointed as provided in Article II, Section 2 hereof. Any Trustee or Trustees shall have the right to resign on written

notice to the remaining Trustees, and to the Executive Director; said notice shall specify the effective date of such resignation, which shall be no later than fifteen (15) days after said notice is received by the Executive Director, except that said resignation shall in any event become effective no later than appointment of, and acceptance of appointment by, a Successor Trustee, in accordance with Article II, Section 7 of this Agreement.

Sec. 6. Removal of Trustees - Any Employer Trustee may be removed, with cause, at any time by the Employer association or group appointing such Employer Trustee; in the event of such removal of such Employer Trustee, the Employer association or group removing such Trustee shall appoint a Successor Trustee. Any Employee Trustee may be removed, with cause, at any time by the board (either the Central Trustee Appointment Board or the Southern Trustee Appointment Board) which, in accordance with Section 2 of Article II of this Agreement, is the appointing authority upon any vacancy in, or term expiration of, the Employee Trustee position then held by the Employee Trustee being removed. The Trustees shall also have the authority and duty to act to remove a Trustee holding office in violation of law.

Sec. 7. Designation of Successor Trustee - In the event of a vacancy under either Section 5 or Section 6 above, the Successor Trustee shall be designated in writing by the appointing authority, and such Successor Trustee shall accept such appointment in writing in a form satisfactory to the Trustees. The term of office of any Successor Trustee appointed during an unexpired term of his predecessor Trustee shall be the remainder of that unexpired term. Both the designation and acceptance shall be filed with the Executive Director of the Fund.

Sec. 8. Limitation of Liability of Trustees - No Trustee shall be liable or responsible for any acts or defaults of any co-Trustee, any other fiduciary, any party-in-interest or any other person except in accordance with applicable law.

Sec. 9. Office of the Fund - The sole and principal office of the Fund shall be in Rosemont, Illinois, for the transaction of business of the Fund, the exact location of which is to be made known to the parties interested in such Fund. At such office, and at such other places as may be required by law, there shall be maintained all, or any of, the books and records pertaining to the Fund and its administration.

Sec. 10. No One is Agent Without Written Authority - No individual or person may act as agent for the Fund unless specifically authorized in writing by the Trustees. No Employer or Union nor any representative of any Employer or Union, in such capacity, is authorized to interpret the Pension Plan, nor can any such person act as agent of the Trustees. Only the Board of Trustees is authorized to interpret the Pension Plan within the scope of its authority.

ARTICLE III
CONTRIBUTIONS AND COLLECTIONS

Sec. 1. Amount of Contributions - Each Employer shall remit continuing and prompt contributions to the Trust Fund as required by the applicable collective bargaining agreement to which the Employer is a party, applicable law and all rules and requirements for participation by Employers in the Fund as established and interpreted by the Trustees in accordance with their authority. The Trustees are authorized to reject any collective bargaining agreement of an Employer (and all contributions from the Employer) whenever they determine either that the agreement is unlawful and/or inconsistent with any rule or requirement for participation by Employers in the Fund and/or that the Employer is engaged in one or more practices or arrangements that threaten to cause economic harm to, and/or impairment of the actuarial soundness of, the Fund (including but not limited to any arrangement in which the Employer is obligated to make contributions to the Trust Fund on behalf of some but not all of the Employer's bargaining unit employees, and any arrangement in which the Employer is obligated to make contributions to the Trust Fund at different contribution rates for different groups of the Employer's bargaining unit employees). Any such rejection by the Trustees of a collective bargaining agreement shall be effective as of the date determined by the Trustees (which effective date may be retroactive to the initial date of the term of the rejected agreement) and shall result in the termination of the Employer and all Employees of the Employer from further participation in the Fund on and after such effective date. Upon execution of each new or successive collective bargaining agreement, including but not limited to interim agreements and memoranda of understanding between the parties, each Employer shall promptly submit such contract by certified mail to the:

Contracts Department
Central States, Southeast and
Southwest Areas Pension Fund
9377 West Higgins Road
Rosemont, Illinois 60018-4938.

Any agreement or understanding between the parties that in any way alters or affects the Employer's contribution obligation as set forth in the collective bargaining agreement shall be submitted promptly to the Fund in the same manner as the collective bargaining agreement; any such agreement or understanding between the parties that has not been disclosed to the Fund as required by this paragraph shall not be binding on the Trustees and shall not affect the terms of the collective bargaining agreement which alone shall be enforceable. The obligation to make such contributions shall continue during periods when the collective bargaining agreement is being negotiated, but such contributions shall not be required in case of strike after contract termination, unless the parties mutually agree otherwise.

Sec. 2. Time of Payment - The Trustees shall, by regulation, fix the time for payment of contributions and shall send a copy of such regulations to each Employer required to contribute.

Sec. 3. Receipt of Payment and Other Property of Trust - The Trustees are hereby designated as the persons to receive the payments heretofore or hereafter made by the Employers to the Trust Fund, and the Trustees are hereby vested with all right, title and interest in and to such moneys and all interest accrued thereon, and are authorized to receive and be paid the same. The Trustees agree to receive all such payments, deposits, moneys, insurance and annuity contracts, and other assets and properties described or referred to in Article II and this Article, and to hold same in Trust hereunder for the uses and purposes of the Trust herein created.

Sec. 4. Collections and Enforcement of Payment - The Trustees, or such committee of the Trustees as the Board of Trustees shall appoint, or the Executive Director when directed by such committee or by the Trustees, shall have the power to demand and collect the contributions of the Employers to the Fund. Said Board of Trustees shall take such steps, including the institution and prosecution of, and intervention in, any legal proceedings as the Trustees in their discretion deem in the best interest of the Fund to effectuate the collection or preservation of contributions or other amounts which may be owed to the Trust Fund, without prejudice, however, to the rights of the Union to take whatever steps which may be deemed necessary for such purpose. The Trustees are authorized to receive all Employer Contributions and apply such contributions in the best interest of the Fund. Nothing herein shall give any Employer the right to designate how any contributions shall be applied.

Sec. 5. Production of Records - Each Employer shall promptly furnish to the Trustees, upon reasonable demand, the names and current addresses of its Employees, their Social Security numbers, the hours worked by each Employee and past industry employment history in its files and such other information as the Trustees may reasonably require in connection with the administration of the Trust. The Trustees may, by their representatives, examine the pertinent records of each Employer at the Employer's place of business whenever such examination is deemed necessary or advisable by the Trustees in connection with the proper administration of the Trust. All Employers shall annually furnish to the Trustees, if requested by them, a statement showing whether:

- (a) the organization is a corporation and the names of all of its officers;
- (b) if not a corporation, a certificate stating that it is either a partnership or an individual proprietorship and the names of the partners or the name of the individual proprietor.

The Union will comply with any reasonable request of the Trustees to examine those records of the Union which may indicate the employment record of any Employee whose status is in dispute.

Sec. 6. Whenever the Trustees exercise their authority to reject a collective bargaining agreement of an Employer and effect the termination of the Employer and all Employees of the Employer from further participation in the Fund on and after an effective date determined by the Trustees, and there is related litigation to which the Trustees (or any of the Trustees) and/or the Fund and the Employer are parties (regardless of which entity or entities commenced the litigation), the Trustees and the Fund, at the conclusion of the litigation by judgment or settlement (except by a judgment that in effect invalidates the Trustees' rejection of the collective bargaining agreement), shall be entitled to recover from the Employer a payment in the amount of the attorneys' fees and litigation costs incurred by the Trustees and/or the Fund in the course of the litigation.

ARTICLE IV POWERS AND DUTIES OF TRUSTEES

Sec. 1. The Trustees shall have authority to control and manage the operation and administration of the Trust in accordance with applicable law.

Sec. 2. The Trustees shall hold, manage, care for, and protect the Trust Fund and collect the income therefrom and contributions thereto, except to the extent that any of these functions or responsibilities are assigned to another entity or entities pursuant to any provision of this Article.

Sec. 3.

- (a) The Trustees appoint Goldman, Sachs & Co. (hereinafter identified as "Goldman Sachs") and J.P. Morgan Investment Management Inc. (hereinafter identified as "J.P. Morgan") each as a Named Fiduciary of the Fund as defined in Section 402 of the Employee Retirement Income Security Act of 1974, with such rights, powers, authority, duties and responsibilities as are stated in an agreement with each such Named Fiduciary (each agreement hereinafter collectively identified as a "Named Fiduciary Agreement"), an agreement which was entered into by the Trustees with Goldman Sachs as of May 1, 1999, and by the Trustees with J.P. Morgan as of September 1, 1999, and as are stated in a Consent Decree (hereinafter identified as "the Consent Decree") entered September 22, 1982, as heretofore and hereafter amended. The appointment of each of Goldman Sachs and J.P. Morgan as a Named Fiduciary of the Fund shall remain effective until termination or resignation in accordance with the Named

Fiduciary Agreement to which Goldman Sachs or J.P. Morgan is a party.

- (b) Each Investment Manager appointed by Goldman Sachs or J.P. Morgan in its capacity as a Named Fiduciary of the Fund shall have the power and authority, in its sole discretion, to invest and reinvest the principal and income of the Trust Fund, delegated to it for management, in such securities, common and preferred stock, mortgages, notes, real estate or other property as shall be permissible investments in accordance with applicable law and agreements, and may sell or otherwise dispose of such securities or property at any time and from time to time as it determines to be in accordance with its fiduciary obligations.
- (c) With respect to all assets of the Fund, except those assets which are then subject to the exercise by Goldman Sachs or J.P. Morgan of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund, the Trustees shall have the power and authority, in its sole discretion, to invest and reinvest all or any part of the Trust Fund in such securities and other property as shall be permissible investments by them in accordance with applicable law, and may sell or otherwise dispose of such securities or other property at any time and from time to time as they determine to be in accordance with their fiduciary obligations.
- (d) The overall investment policy objective of the Fund is to invest and manage the assets of the Trust Fund in a prudent and conservative yet productive manner, in order to enhance the ability of the Fund to meet its obligations to participants and beneficiaries. Subject to the overall investment policy objective of the Fund, Goldman Sachs and J.P. Morgan each shall develop the short-term and long-term investment objectives and policies of the Fund for the assets of the Fund for which it is responsible, in accordance with the Consent Decree, after consultation with the Trustees and with appropriate regard for the actuarial requirements of the Fund.

Sec. 4. With respect to all assets of the Fund, except those assets which are then subject to the exercise by Goldman Sachs or J.P. Morgan of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund, any part of the Trust Fund which is not invested shall be deposited by the Trustees in such depository or depositories as the Trustees shall from time to time select and any such deposit or deposits, or disbursements therefrom, shall be made in the name of the Trust in the manner designated by the Trustees and upon the signature(s) designated by the Trustees.

Sec. 5. The Trustees shall keep true and accurate books of account and a record of all their transactions.

Sec. 6. The Trustees shall engage one or more independent qualified public accountants and enrolled actuaries to perform all services required by and in accordance with applicable law and such other services as the Trustees deem necessary.

Sec. 7. The Trustees, to the extent permitted by applicable law, shall incur no liability in acting upon any instrument, application, notice, request, signed letter, telegram, or other paper or document believed by them to be genuine and to contain a true statement of facts, and to be signed by the proper person.

Sec. 8. Any Trustee, to the extent permitted by applicable law, may rely upon any instrument in writing purporting to have been signed by a majority of the Trustees as conclusive evidence of the fact that a majority of the Trustees have taken the action stated to have been taken in such instrument.

Sec. 9. The Trustees are hereby authorized to formulate and promulgate any and all necessary rules and regulations which they deem necessary or desirable to facilitate the proper administration of the Trust, provided the same are not inconsistent with the terms of the Agreement, and the Articles in the Central States, Southeast and Southwest Areas Agreements creating the Pension Fund. All rules and regulations adopted by action of the Trustees for the administration of the Trust Fund shall be binding upon all parties hereto, all parties dealing with the Trust, and all persons claiming any benefits hereunder. The Trustees are vested with discretionary and final authority in adopting rules and regulations for the administration of the Trust Fund.

Sec. 10. Any Successor Trustee appointed in accordance with the provisions of this Agreement, upon accepting in writing the terms of this Trust, in a form satisfactory to the Trustees, shall be vested with all of the rights, powers and duties of his predecessor.

Sec. 11.

- (a) The Trustees may assign, from time to time, various administrative matters to such committees and subcommittees of Trustees, or to such other individuals or organizations, as they may deem necessary or appropriate in their sole discretion. The Trustees may also assign and delegate, from time to time, specified trustee responsibilities to committees and subcommittees of Trustees, as they deem necessary or appropriate in their sole discretion. Committees and subcommittees of Trustees shall consist of an equal number of Employer and Employee Trustees.

- (b) The Trustees may establish a Public Advisory Board consisting of four (4) persons, two (2) to be designated by a majority of the Employer Trustees and two (2) to be designated by a majority of the Employee Trustees. Such Public Advisory Board, if established, shall act solely in an advisory and consultant capacity and shall not have or exercise any fiduciary powers, responsibilities or duties. None of the members of said Board, individually or collectively, shall have or exercise any discretionary authority or discretionary control respecting management of the Fund, or have or exercise any authority or control respecting management or disposition of any assets of the Fund, or render any investment advice for any fee or other consideration, or have or exercise any discretionary authority or discretionary responsibility in the administration of the Fund. The Trustees shall establish procedures for submission of matters to the Public Advisory Board, if established, for advice and consultation by said Board. Any payment of compensation and expenses for members of said Board shall be determined by the Trustees.
- (c) The Trustees shall appoint an Executive Director, who shall, subject to the directions of the Trustees with respect thereto, be responsible to the Trustees and/or any committee thereof for coordinating the administration of the Fund's assets, office and personnel, for the coordination and administration of accounting and actuarial services, for the preparation of all reports and other documents required to be filed or issued in accordance with law, for the performance of ministerial duties in conformance therewith, and for such other duties duly assigned to him by action of the Trustees. The Executive Director shall be the custodian of the documents and other records of the Fund. To the extent this subsection is contrary to or inconsistent with a Named Fiduciary Agreement, in its description of authority and responsibilities of the Executive Director, this subsection shall be inapplicable.
- (d) There shall exist an internal audit division of the Fund, for review of administrative expenditures, benefit disbursements and the allocation of income between investments, administration and benefits, and for such other responsibilities as may be assigned by the Executive Director.

Sec. 12. No party dealing with the Trustees shall be obligated:

- (a) to see the application to the trust purposes, herein stated, of any money or property belonging to the Trust Fund, or

- (b) to see that the terms of this Agreement have been complied with, or
- (c) to inquire into the necessity or expediency of any act of the Trustees.

Every instrument executed by the Trustees shall be conclusive evidence in favor of every person relying thereon:

- (1) that at the time of the delivery of said instrument the Trust was in full force and effect,
- (2) that the instrument was executed in accordance with the terms and conditions of this Agreement, and
- (3) that the Trustees were duly authorized and empowered to execute the instrument.

Sec. 13. The Trustees shall, by regulation, establish rules relating to payments of contributions by Employers for Employees during periods of such Employees' illness or disability and related matters but not contrary to applicable collective bargaining agreements.

Sec. 14. The Trustees are hereby empowered, in addition to such other powers as are set forth herein or conferred by law:

- (a) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and Declaration of Trust and for the administration of the Trust Fund, and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on the parties hereto and on the Employees involved.
- (b) To keep property and securities registered in the names of the Trustees or in the name of any other individual or entity duly designated by the Trustees.
- (c) To establish and accumulate as part of the Trust Fund a reserve or reserves, adequate, in the opinion of the Trustees and in accordance with applicable law, to carry out the purposes of such Trust.
- (d) To pay out of the funds of the Trust all real and personal property taxes, income taxes, and other taxes of any and all kinds levied or assessed under existing or future laws upon or in respect to the Trust Fund, or any money, property, or securities forming a part thereof.

- (e) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary or proper for the protection of the property held hereunder.
- (f) To sell, exchange, lease, convey, mortgage or dispose of any property, whether real or personal, at any time forming a part of the Trust Fund upon such terms as they may deem proper, and to execute and deliver any and all instruments of conveyance, lease, mortgage and transfer in connection therewith, except that the powers enumerated in this subsection shall not be exercisable by the Trustees with respect to those assets of the Fund as are then subject to the exercise by Goldman Sachs or J.P. Morgan of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund.

Sec. 15. The Trustees shall be entitled to receive reasonable compensation for services rendered, and the reimbursement of expenses properly and actually incurred, in the performance of their duties to the Fund; except that no Trustee who already receives full-time pay from an Employer or an association of Employers or from the Union shall receive compensation from the Fund, except for reimbursement of expenses properly and actually incurred.

Sec. 16. The Trustees shall use and apply the Trust Fund for the following purposes:

- (a) To pay or provide for -
 - (1) the payment of all reasonable and necessary expenses of collecting the contributions and administering the affairs of this Trust, including the employment of such administrative, legal, actuarial, expert, and clerical assistance as may be reasonably necessary,
 - (2) the purchasing, owning or leasing of such premises as may be necessary for the operation of the affairs of the Trust, and
 - (3) the purchase or leasing of such materials, supplies and equipment as the Trustees, in their discretion, find necessary or appropriate to the performance of their duties.
- (b) To pay or provide for the payment of retirement and related benefits to eligible Employees in accordance with the terms, provisions and conditions of the Pension Plan to be formulated and agreed upon hereunder by the Trustees.

Sec. 17. The Trustees, by majority action, shall have the power to construe the provisions of this Agreement and the terms

and regulations of the Pension Plan; and any construction adopted by the Trustees in good faith shall be binding upon the Union, Employees and Employers. The Trustees are vested with discretionary and final authority in construing plan documents of the Pension Fund.

Sec. 18. The Trustees, by resolution, shall provide for fidelity bonds, in such amounts as they may determine, for their employees and for the Trustees, the cost of which shall be paid by the Fund. The Trustees may purchase insurance coverage to protect the Fund from liability arising out of any error or omission of any Trustee or employee of the Trust, in accordance with applicable law, the cost of which policy shall be paid by the Fund.

Sec. 19. The Trustees shall provide participants and beneficiaries such information as is required by law.

Sec. 20. The Trustees are authorized to reject any collective bargaining agreement of an Employer (and all contributions from the Employer) whenever they determine either that the agreement is unlawful and/or inconsistent with any rule or requirement for participation by Employers in the Fund and/or that the Employer is engaged in one or more practices or arrangements that threaten to cause economic harm to, and/or impairment of the actuarial soundness of, the Fund (including but not limited to any arrangement in which the Employer is obligated to make contributions to the Trust Fund on behalf of some but not all of the Employer's bargaining unit employees, and any arrangement in which the Employer is obligated to make contributions to the Trust Fund at different contribution rates for different groups of the Employer's bargaining unit employees). Any such rejection by the Trustees of a collective bargaining agreement shall be effective as of the date determined by the Trustees (which effective date may be retroactive to the initial date of the term of the rejected agreement) and shall result in the termination of the Employer and all Employees of the Employer from further participation in the Fund on and after such effective date.

ARTICLE V CONTROVERSIES AND DISPUTES

Sec. 1. In any controversy, claim, demand, suit at law, or other proceeding between any participant, beneficiary, or any other person and the Trustees, the Trustees shall be entitled to rely upon any facts appearing in the records of the Trustees, any instruments on file with the Trustees, with the Union or with the Employers, any facts certified to the Trustees by the Union or the Employers, any facts which are of public record, and any other evidence pertinent to the issue involved.

Sec. 2. All questions or controversies, of whatsoever character, arising in any manner or between any parties or persons in connection with the Fund or the operation thereof, whether as to

any claim for any benefits preferred by any participant, beneficiary, or any other person, or whether as to the construction of the language or meaning of the rules and regulations adopted by the Trustees or of this instrument, or as to any writing, decision, instrument or accounts in connection with the operation of the Trust Fund or otherwise, shall be submitted to the Trustees, or to a committee of Trustees, and the decision of the Trustees or of such committee thereof shall be binding upon all persons dealing with the Fund or claiming any benefit thereunder. The Trustees are vested with discretionary and final authority in making all such decisions, including Trustee decisions upon claims for benefits by participants and beneficiaries of the Pension Fund and other claimants, and including Trustee decisions construing plan documents of the Pension Fund. To the extent this section is contrary to or inconsistent with a Named Fiduciary Agreement, this section shall be inapplicable.

Sec. 3. The Trustees may, in their sole discretion, compromise or settle any claim or controversy in such manner as they think best, and any decision made by the Trustees in compromise or settlement of a claim or controversy, or any compromise or settlement agreement entered into by the Trustees, shall be conclusive and binding on all parties interested in this Trust. To the extent this section is contrary to or inconsistent with a Named Fiduciary Agreement, this section shall be inapplicable.

ARTICLE VI OPERATION OF BOARD OF TRUSTEES

Sec. 1. Officers - The Board of Trustees shall at each meeting designate a presiding Chairman. The Chairmanship shall be rotated between the Employee Trustees and the Employer Trustees.

Sec. 2. Quorum - A quorum of the Trustees for the transaction of business, except as otherwise specifically provided herein, shall consist of at least six (6) Trustees, three (3) of whom shall be representative of the Employers and three (3) of whom shall be representative of the Employees. A quorum of a committee shall consist of a majority of the members thereof. Upon each matter voted upon at any meeting of the Trustees, the Employee Trustees and the Employer Trustees shall each have the same number of votes based upon the larger number of Employee or Employer Trustees in attendance, as the case may be; provided, however, that the vote or votes cast by each such Trustee shall be cast as an individual Trustee and not as a part of a block. All actions of the Trustees at meetings shall be by majority vote of those present and voting, a quorum being present. No Trustee may vote by proxy.

Sec. 3. Records of Trustee Action - The Trustees shall make and maintain a record of the actions of the Trustees taken at any meeting thereof. Any action, which may be taken at a meeting of the Trustees, may be taken without a meeting of the Trustees if a

consent in writing, setting forth the action so taken, should be distributed to all of the Trustees and should be signed by six (6) of the Trustees, said written consent evidencing the substance of the action of the Trustees so taken.

Sec. 4. Reports - All reports required by law to be signed by one or more Trustees shall be signed by all of the Trustees, provided that all of the Trustees may appoint in writing one or more of their number to sign such report on behalf of the Trustees.

Sec. 5. Power to Act in Case of Vacancy - No vacancy or vacancies in the Board of Trustees shall impair the power of the remaining Trustees, acting in the manner provided by this Agreement, to administer the affairs of the Trust notwithstanding the existence of such vacancy or vacancies.

Sec. 6. Expenses - All proper and necessary expenses incurred by any former or incumbent Trustee, including costs of defense in litigation arising out of the Trusteeship of this Fund, and also including costs incurred by any former or incumbent Trustee in providing testimony or information about administration of this Fund in any investigation, trial or other proceeding, shall be paid out of the Trust Fund, as a matter of right of any such former or incumbent Trustee, to the extent permitted by applicable law. As used in the preceding sentence, the term "costs" includes, but is not limited to, reasonable attorneys' fees.

Sec. 7. Meetings - Regular meetings of the Trustees shall be held on the third Wednesday of each month, and on such other days as the Trustees determine, except that such regular monthly meeting date may be changed or postponed either by the Board of Trustees in regular meeting assembled or otherwise by written decision signed by a majority of the Trustees. Any two (2) Trustees may request a meeting of the Trustees at any time by notifying the Executive Director, who shall arrange the time and place thereof. Written notices of meetings may be delivered in person, by mail, or by telegram. Meetings of the Trustees may also be held at any time without notice if all the Trustees consent thereto.

ARTICLE VII ESTABLISHMENT OF PENSION PLAN

Sec. 1. Formulation of Plan - The Trustees shall formulate a Pension Plan for the payment of such retirement pension benefits, permanent disability pension benefits, death benefits, and related benefits, as are feasible. Such Pension Plan shall at all times comply with all applicable federal statutes and regulations and with the provisions of this Trust Agreement. The Trustees shall not be under any obligation to pay any pension if the payment of such pension will result in loss of the Fund's tax-exempt status under the then applicable Internal Revenue Code and any regulations or rulings issued pursuant thereto. The Trustees shall draft procedures, regulations, and conditions for the operation of the

Pension Plan, including, by way of illustration and not limitation: conditions of eligibility for covered Employees, procedures for claiming benefits, schedules of type and amount of benefits to be paid, and procedures for the distribution of benefits. The Trustees may also provide for the payment of partial pensions, and may enter into agreements with trustees of other pension plans which conform to the applicable sections of the then applicable Internal Revenue Code for purposes of tax deductions, for the reciprocal recognition of service credits and payments of pension benefits based upon such service credits.

Sec. 2. Amendment of Plan - The Pension Plan may be amended by the Trustees from time to time, provided that such amendments comply with the applicable sections of the then applicable Internal Revenue Code, all applicable federal statutes and regulations, the contract articles creating the Pension Fund, and the purposes set forth in this Agreement. Additionally and not by way of limitation, the Trustees may amend the Pension Plan, in future, or retroactively, where they deem it necessary to maintain the continuation of the Fund's tax-exempt status or to preserve compliance with the then applicable Internal Revenue Code, applicable federal statutes, and any regulations or rulings issued with respect thereto. A copy of each amendment of the Pension Plan shall be adopted and filed by the Trustees as part of the records and minutes of the Trustees, and one copy thereof shall be distributed to the Union and to each Employer or Employer group signatory to this Trust Agreement.

ARTICLE VIII SPENDTHRIFT CLAUSE

All benefit payments to participants or beneficiaries, if and when such payments shall become due, shall, except as to persons under legal disability, or as provided in this section and in Article IX, be paid to such participants or beneficiaries in person and shall not be grantable, transferable, or otherwise assignable in anticipation of payment thereof, in whole or in part, by the voluntary or involuntary acts of any such participants or beneficiaries, or by operation of law, and shall not be liable or taken for any obligation of such participants or beneficiaries. Upon receipt of written direction from any eligible recipient of monthly benefit payments, the Pension Fund will participate in an arrangement to make deductions from each monthly benefit payment, as authorized and directed by the recipient, and to transfer the amount of each such deduction to the Central States, Southeast and Southwest Areas Health and Welfare Fund as the recipient's monthly contribution to retain eligibility for coverage pursuant to the retiree benefit plan established by that fund. This deduction-transfer arrangement is effective commencing October 1, 1988 and will continue, relative to each such recipient who authorizes and directs it, until the Pension Fund receives the recipient's written cancellation of such authority and direction (or the earlier termination of benefits). Any authority and direction to the

Pension Fund by a recipient of monthly benefit payments, to make such deductions and transfers, is revocable at any time by the recipient.

ARTICLE IX
PAYMENTS TO PERSONS UNDER LEGAL DISABILITY

In case any benefit payments hereunder become payable to a person under legal disability, or to a person not adjudicated incompetent but, by reason of mental or physical disability, in the opinion of the Trustees, is unable to administer properly such payments, then such payments may be paid out by the Trustees for the benefit of such person in such of the following ways as they think best, and the Trustees shall have no duty or obligation to see that the payments are used or applied for the purpose or purposes for which paid:

- (a) directly to any such person;
- (b) to the legally appointed guardian or conservator of such person;
- (c) to any spouse, parent, brother, or sister of such person for his welfare, support and maintenance;
- (d) by the Trustees using such payments directly for the support, maintenance and welfare of any such person.

ARTICLE X
AMENDMENT OF AGREEMENT

It is anticipated that in the administration of this Trust conditions may arise that are not foreseen at the time of the execution of this Agreement, and it is the intention of the parties that the power of amendment, which is hereinafter given, be exercised in order to carry out the provisions of this Trust, among which is to pay the largest benefits possible, which are consistent with the number of participants becoming and likely to become eligible for such payments, the amounts of funds which are available and which will probably become available, and the following of sound actuarial practice. Therefore, the power is given to the Trustees to amend this Agreement by majority vote, at any time and from time to time, and all parties to the Trust, and all persons claiming an interest thereunder, shall be bound thereby, and no participant, Employee member, beneficiary, or any other person shall have any vested interest or right in the Trust Fund or in any payment from the Trust Fund, except as provided by law. The Trustees have full authority to amend, repeal, add to, or take away any right of payment, retroactively or otherwise, that they deem proper for the preservation of this Trust; provided, however, in no event shall the Trust Fund be used for any purpose other than the purposes set forth in this Trust Agreement, and for

the purposes of paying the necessary expenses incurred in the administration of this Trust. All amendments to this Agreement shall comply with applicable sections of the Internal Revenue Code, other applicable federal statutes and the Contract Articles creating the Pension Fund.

ARTICLE XI
TERMINATION OF TRUST

Sec. 1. This Trust shall cease and terminate upon the happening of any one or more of the following events:

- (a) In the event the Trust Fund shall be, in the opinion of the Trustees, inadequate to carry out the intent and purposes of this Agreement, or to meet the payments due or to become due under this Agreement to persons already drawing benefits.
- (b) In the event there are no individuals living who can qualify as Employees hereunder.

Sec. 2. In the event this Trust shall terminate for any of the reasons set forth in Section 1 of this Article XI, the Trustees shall allocate the Trust Fund among participants and beneficiaries of the Pension Plan in the following order:

- (a) First, to that portion of each individual's accrued benefit which is derived from the participant's contributions to the Pension Plan.
- (b) Second, in the case of benefits payable as an annuity -
 - (1) In the case of the benefit of a participant or beneficiary which was in pay status as of the beginning of the 3-year period ending on the termination date of the Pension Plan, to each such benefit based on the provisions of the Pension Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.
 - (2) In the case of a participant's or beneficiary's benefit which would have been in pay status as of the beginning of the 3-year period ending on the termination date of the Pension Plan if the participant had retired prior to the beginning of the 3-year period and if his benefits had commenced (in the normal form of an annuity under the Pension Plan) as of the beginning of such period, to each such benefit based on the provisions of the Pension Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

For the purpose of subparagraph (1) the lowest benefit in pay status during a 3-year period shall be considered the benefit in pay status for such period.

- (c) Third, to all other nonforfeitable benefits (other than benefits becoming nonforfeitable solely on account of termination of the Pension Plan) subject to the limitation that such nonforfeitable benefits shall not have an actuarial value which exceeds the actuarial value of a monthly benefit in the form of a life annuity commencing at age 65 equal to the lesser of -
 - (1) his average monthly gross income from his Employer during the 5 consecutive calendar year period during which his gross income from that Employer was greater than during any other such period with that Employer, or
 - (2) \$750 multiplied by a fraction, the numerator of which is the contribution and benefit base (determined under Section 230 of the Social Security Act) in effect at the time the Pension Plan terminates and the denominator of which is such contribution and benefit base in effect in calendar year 1974.
- (d) Fourth, to all other nonforfeitable benefits under the Pension Plan.
- (e) Fifth, to all other benefits under the Pension Plan.
- (f) If the assets available for allocation under any priority category (other than 2 (d) and 2 (e) above) are insufficient to satisfy in full the benefits of all individuals, the assets shall be allocated pro rata among such individuals on the basis of the present value as of the termination date of their respective benefits. To the extent funded, the rights of all participants to benefits accrued as of the date of termination are nonforfeitable.

ARTICLE XII EXTENSION OF PLAN

Sec. 1. Extension of Trust - The Trustees are authorized to extend the coverage of this Agreement and Trust to such other Employers and Employees as the Trustees shall agree upon, provided such Employers and Employees are required to conform to the terms and conditions of this Trust and to make the same rate of payments required of the Employers herein, for the same benefits.

Sec. 2. Reciprocity Agreements - The Trustees shall be authorized to enter into reciprocity agreements with other labor

organizations and other pension funds in which such labor organizations participate.

Sec. 3. Merger - The Trustees shall have the power to merge with any other fund established for similar purposes as this Fund, under terms and conditions mutually agreeable to the respective Boards of Trustees. No participant's or beneficiary's accrued benefit will be lower immediately after the effective date of any such merger than the benefit immediately before that date.

ARTICLE XIII VESTING OF RIGHTS

The Trustees shall establish standards for the vesting of benefits which conform to no less than the minimum standards required by law. No Employee or other person shall have any vested interest or right in the Trust Fund except as provided by the Trustees in conformance with applicable law.

ARTICLE XIV MISCELLANEOUS

Sec. 1. The Trustees will issue a credit for contributions that have been billed to an Employer if (1) the related work history was reported by mistake of fact or law (other than a mistake about plan qualification or tax-exempt status pursuant to the Internal Revenue Code) as determined by the Trustees and (2) the request for credit is received within ten years after the related work history was billed. If an Employer no longer has an obligation to contribute to the Fund and has satisfied his withdrawal liability assessment, the Trustees will refund contributions paid by an Employer to the Trust if (1) such contributions were made by a mistake of fact or law (other than a mistake about plan qualification or tax-exempt status pursuant to the Internal Revenue Code) as determined by the Trustees and (2) application therefor is received within ten years after payment of the contributions. An Employer shall not have a right to a refund of contributions made more than ten years prior to his application therefor. No interest shall be paid on any credits or refunds approved. In no event shall Employers, directly or indirectly, participate in the disposition of the Trust Fund or receive any benefits from the Trust Fund.

Sec. 2. The Union or the Employer may, at any time, demand of the Trustees an accounting with respect to any and all accounts upon agreement to pay necessary expenses thereof. The Trustees shall be entitled, at any time, to have a judicial settlement of their accounts and judicial determination of any questions in

connection with the administration or distribution thereof. Any Trustee who has resigned, been removed from office, or not been reappointed shall execute all instruments necessary to transfer the Trust Fund.

Sec. 3. In the event any question or dispute shall arise as to the proper person or persons to whom any payments shall be made hereunder, the Trustees may withhold such payment until an adjudication of such question or dispute, satisfactory to the Trustees, in their sole discretion, shall have been made, or the Trustees shall have been adequately indemnified against loss to their satisfaction.

Sec. 4. Non-payment by an Employer of any moneys due shall not relieve any other Employer from its obligation to make payment. In addition to any other remedies to which the parties may be entitled, an Employer shall be obligated to pay interest on any contributions, withdrawal liability and/or other moneys due to the Trustees from the date when the payment was due to the date when the payment is made, together with all expenses of collection incurred by the Trustees, including, but not limited to, attorneys' fees and such fees for late payment as the Trustees determine and as permitted by law. The interest payable by an Employer, in accordance with the preceding sentence, shall be computed and charged to the Employer at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by Chase Manhattan Bank (New York, New York) for the fifteenth (15th) day of the month for which the interest is charged. Any judgment against an Employer for contributions and/or withdrawal liability owed to this Fund shall include the greater of (a) a doubling of the interest computed and charged in accordance with this section or (b) single interest computed and charged in accordance with this section plus liquidated damages in the amount of 20% of the unpaid contributions and/or withdrawal liability. The interest rate after entry of a judgment against an Employer for contributions and/or withdrawal liability shall be due from the date the judgment is entered until the date of payment, shall be computed and charged to the Employer on the entire judgment balance at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by Chase Manhattan Bank (New York, New York) for the fifteenth (15th) day of the month for which the interest is charged and shall be compounded annually.

Sec. 5. Where used in this Agreement, words in the masculine shall be read and construed as in the feminine, and words in the singular shall be read and construed as though used in the plural, in all cases where such construction would so apply.

Sec. 6. The Article titles are included solely for convenience and shall, in no event, be construed to affect or modify any part of the provisions of this Agreement or be construed as part thereof.

Sec. 7. This Agreement shall in all respects be construed according to and governed by the laws of the State of Illinois, including but not limited to the laws applicable to the rate of interest in the State of Illinois, except as such laws may be preempted by the laws and regulations of the United States. In all actions taken by the Trustees to enforce the terms of this Trust Agreement, including but not limited to actions to collect delinquent contributions from employers or to conduct audits of contributing employers' records as authorized by Article III of this Agreement, the ten-year Statute of Limitations applicable to actions on written contracts in the State of Illinois shall apply.

Sec. 8. The method of computation of any employer withdrawal liability imposed by the Multiemployer Pension Plan Amendments Act of 1980 and payable to the Trust Fund shall be the Modified Basic Method (Two Pool Approach) as described in Section 4211 (c) (2) of the Employee Retirement Income Security Act of 1974, as amended, to be applied with a graduated increase in the extended period for determination of specific employer withdrawal liability allocations (5-year period in 1980, 6-year period in 1981, and so on until a 10-year period in 1985 and subsequent years), as described in Section 4211 (c) (5) (C) of the Employee Retirement Security Act of 1974, as amended, relative to any employer withdrawal after September 25, 1980.

Sec. 9. No person shall serve, or be permitted to serve, as an administrator, fiduciary, officer, trustee, custodian, counsel, agent, employee, adviser, provider of goods or services or consultant of the Fund, or as its representative in any capacity, or to serve in any capacity that involves decision making authority or custody or control of the moneys, funds or assets of the Fund, if such person has been convicted of: robbery, bribery, extortion, embezzlement, fraud, grand larceny, burglary, arson, a felony violation of Federal or State law involving substances defined in section 802(6) of title 21 of the United States Code (hereinafter referred to as the "Code"), murder, rape, kidnapping, perjury, assault with intent to kill, any crime described in section 80a-9(a) (1) of title 15 of the Code, a violation of any provision of the Employee Retirement Income Security Act of 1974, a violation of section 186 of title 29 of the Code, a violation of chapter 63 of title 18 of the Code, a violation of sections 874, 1027, 1503, 1505, 1506, 1510, 1951 or 1954 of title 18 of the Code, a violation of the Labor-Management Reporting and Disclosure Act of 1959, or any felony involving abuse or misuse of such person's labor organization or employee benefit plan position or employment; or conspiracy to commit any such crimes; or attempt to commit any such crimes, or a crime in which any of the foregoing crimes is an element; or a misdemeanor involving a breach of fiduciary responsibility. Upon conviction of any of the crimes described in the preceding sentence, such person shall immediately be disqualified from serving the Fund in any capacity described in the preceding sentence, and any such service shall immediately be terminated; provided that, upon final reversal of such conviction, such person, unless otherwise ineligible, shall thereafter be

eligible to serve the Fund; and provided further that this disqualification shall continue in effect until ten (10) years after such conviction or after the end of imprisonment on such conviction, whichever is the later, unless, prior to the end of such ten-year period, in the case of a person so convicted or imprisoned, (a) his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or (b) the United States Parole Commission, pursuant to applicable law, determines that such person's service would not be contrary to the best interests of the Fund.

**ARTICLE XV
BENEFICIAL RIGHTS**

No Employer or Union, or Employees, shall have any right, title or interest in or to the Trust Fund or any part thereof other than vesting under the Pension Plan except in accordance with applicable law. There shall be no pro rata or other distribution of any of the assets of the Fund as a result of any Union, Employer, or group of Employees of Employers ceasing their participation in this Fund for any purpose or reason, except as required by law.

**ARTICLE XVI
SAVINGS CLAUSE**

Should any provision of this Declaration of Trust be held to be unlawful, or unlawful as to any person or instance, such fact shall not adversely effect the other provisions herein contained or the application of such provision to any other person or instance, unless such illegality shall make impossible the functioning of the Pension Plan. No Trustee shall be held liable for any act done or performed in pursuance of any provision hereof prior to the time such act or provision shall be held unlawful by a court of competent jurisdiction.

APPENDIX

INDEX OF ALL AMENDMENTS TO THE TRUST AGREEMENT OF
CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND
ADOPTED AFTER DECEMBER 12, 1974, AND
PRIOR TO APRIL 1, 2002

| <u>Article</u> | <u>Section</u> | <u>Date of Trustees' Meeting (Minute Item No.)</u> |
|--------------------------------------|----------------|--|
| Preamble, 3rd "Whereas" clause | | October 11, 1976 (Item No. 5). |
| I | 2 | October 11, 1976 (Item No. 5); and October 19, 1994 (Item No. 40). |
| I | 3 | July 18, 1979 (Item No. 51). |
| I | 2 | October 11, 1976 (Item No. 5); August 15, 1979 (Item No. 70); October 18-19, 1982 (Item No. 8); March 17-18, 1983 (Item No. 31); April 19-20, 1983 (Item No. 28); August 19-20, 1986 (Item No. 32); December 19, 1988 (Item No. 24); February 16, 1993 (Item No. 23); October 19, 1994 (Item No. 40); and March 30, 1998 (Item No. 12). |
| II | 3 | October 18-19, 1982 (Item No. 8); and April 19-20, 1983 (Item No. 31). |
| II | 5 | October 11, 1976 (Item No. 5). |
| II | 6 | March 17-18, 1983 (Item No. 31); and October 19, 1994 (Item No. 40). |
| II | 7 | March 17-18, 1983 (Item No. 31). |
| III | 1 | May 26-27, 1987 (Item No. 34); and December 19, 1997 (Item No. 36). |
| III | 4 | April 20-21, 1982 (Item No. 18). |
| III | 5 | January 19, 2000 (Item No. 10). |
| III | 6 | November 13, 1997 (Item No. 12). |
| IV | 2 | September 15, 1977 (Item No. 31). |
| IV | 3 | September 15, 1977 (Item No. 31); November 16, 1977 (Item No. 27); November 16-17, 1983 (Item No. 18); |

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| <u>Article</u> | <u>Section</u> | <u>Date of Trustees' Meeting</u> <u>(Minute Item No.)</u> |
|----------------|----------------|---|
| | | December 15, 1986 (Item No. 17); February 16-17, 1987 (Item No. 16); April 21-22, 1987 (Item No. 16); September 26-27, 1988 (Item No. 14); October 26-27, 1989 (Item No. 25); July 16-17, 1990 (Item No. 11); July 21, 1992 (Item No. 8); November 30, 1993 (Item No. 12); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); and October 20, 1999 (Item No. 17). |
| IV | 4 | September 15, 1977 (Item No. 31); November 17, 1983 (Item No. 18); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); and October 20, 1999 (Item No. 17). |
| IV | 9 | March 23, 1989 (Item No. 22). |
| IV | 11 | October 11, 1976 (Item No. 5); September 15, 1977 (Item No. 31); March 16, 1978 (Item No. 20); November 16-17, 1983 (Item No. 18); and November 19, 1998 (Item No. 14). |
| IV | 14 | September 15, 1977 (Item No. 31); November 16-17, 1983 (Item No. 18); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); and October 20, 1999 (Item No. 17). |
| IV | 15 | March 18-19, 1980 (Item No. 41). |
| IV | 17 | March 23, 1989 (Item No. 22). |
| IV | 20 | December 19, 1997 (Item No. 36). |
| V | 2 | October 11, 1976 (Item No. 5); September 15, 1977 (Item No. 31); November 16-17, 1983 (Item No. 18); March 23, 1989 (Item No. 22); and November 19, 1998 (Item No. 14). |
| V | 3 | September 15, 1977 (Item No. 31); November 16-17, 1983 (Item No. 18); and November 19, 1998 (Item No. 14). |
| VI | 2 | September 19, 1979 (Item No. 60); and July 14, 1998 (Item No. 8). |

| <u>Article</u> | <u>Section</u> | <u>Date of Trustees' Meeting</u> <u>(Minute Item No.)</u> |
|----------------|----------------|---|
| VI | 3 | June 19-21, 1980 (Item No. 23); and July 14, 1998 (Item No. 8). |
| VI | 6 | October 11, 1976 (Item No. 5). |
| VI | 7 | October 11, 1976 (Item No. 5); and November 16, 1976 (Item Nos. 28 and 32). |
| VIII | | October 11, 1976 (Item No. 5); and July 21, 1988 (Item No. 23). |
| XII | 1 | February 18-20, 1981 (Item No. 36). |
| XII | 2 | February 18-20, 1981 (Item No. 36). |
| XII | 3 | February 18-20, 1981 (Item No. 36); and May 30, 1986 (Item No. 29). |
| XIV | 1 | December 16-17, 1980 (Item No. 81); and April 23-24, 1986 (Item No. 42). |
| XIV | 4 | January 17-19, 1980 (Item No. 26); October 21-22, 1980 (Item No. 47); March 16-17, 1982 (Item No. 39); July 20-21, 1982 (Item No. 27); January 17-18, 1989 (Item No. 32); and July 23, 1997 (Item No. 15). |
| XIV | 7 | March 24, 1985 (Item No. 30). |
| XIV | 8 | June 21, 1978 (Item No. 33); and January 20-21, 1981 (Item No. 23). |
| XIV | 9 | October 18-19, 1982 (Item No. 8). |

EXHIBIT F



EMPLOYER TRUSTEES
MARION M. WINSTEAD
ROBERT C. SANSONE
R. JERRY COOK
HAROLD D. LEU

EMPLOYER TRUSTEES
HOWARD McDUGAL
ROBERT J. BAKER
R. V. PULLIAM, SR.
ARTHUR M. BUNTE, JR.

EXECUTIVE DIRECTOR
RONALD J. KUBALANZA

1990 - SPECIAL BULLETIN - 90-7

DATE: NOVEMBER, 1990

TO: ALL LOCAL UNIONS AND EMPLOYERS WITH PARTICIPANTS IN CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

RE: SPLIT BARGAINING UNIT ARRANGEMENTS

This bulletin has been issued to emphasize the Board of Trustees' long standing policy which prohibits the Pension Fund from participating in collective bargaining arrangements which encourage "adverse selection" and are, therefore, actuarially unsound.

When establishing the contribution rate necessary to support a benefit level, the Trustees rely upon cost estimates of actuaries who assume that all employees of an employer in the same work classification will participate equally in the Pension Fund. However, if in practice the collective bargaining arrangement restricts pension coverage to only those employees likely to receive a benefit and excludes those employees less likely to receive a benefit, then the contribution rate is insufficient to support the benefit level. To protect the financial soundness of the Pension Fund, the Trustees must avoid this type of "adverse selection." Therefore the Trustees will terminate continued participation and reject collective bargaining arrangements which in practice result in adverse selection.

Although not exhaustive, the following examples illustrate actuarially unsound arrangements which may result in contract rejection or termination of continued participation:

1. The collective bargaining agreement covers all of the employees who perform the same type of work (such as drivers), but does not require that contributions be made equally on all of the employees. Such unequal treatment may take the form of:

(a) some employees participate in the Pension Fund while others do not; or

(b) all employees participate in the Pension Fund, but at different contribution rates.

9377 W. HIGGINS ROAD

ROSEMONT, IL 60018-4938

(708) 518-9800



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2. The collective bargaining agreement requires contributions to the Pension Fund on behalf of all employees, but the agreement in practice does not cover all employees of the employer who perform the same type of work. For example, an agreement might be structured to cover only certain specified individuals, instead of a classification of employment. Alternatively, the employer may establish a non-covered bargaining unit, corporate division or corporation which consists of employees who perform the same type of work as the covered bargaining unit but is generally differentiated from the covered employees based upon any of the following characteristics:

- (a) the age of such employees;
- (b) the length of service or seniority of such employees;
- (c) the employment commencement date of such employees;
- (d) the amount of "Credited Service" (as defined in the Pension Plan) of such employees; or
- (e) the likelihood of such employees to meet any of the prerequisites for any benefits defined in the Pension Plan.

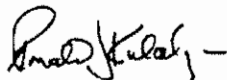
3. The agreement provides reduced or no pension coverage for employees classified as "casual," "part-time" or "temporary," and in practice the employees are actually full-time, long-term employees.

This discussion is not intended to be an all inclusive list of unacceptable arrangements. Any collective bargaining arrangement that encourages adverse selection is subject to rejection by the Board of Trustees.

If you have any questions concerning this policy or the acceptability of a collective bargaining arrangement, please contact the Fund's Contract Department on extension 3169 so the matter may be promptly determined and any future problems avoided.

Sincerely,

BOARD OF TRUSTEES, CENTRAL STATES, SOUTHEAST AND
SOUTHWEST AREAS PENSION FUND BY:



RONALD J. KUBALANZA
EXECUTIVE DIRECTOR

90-PEN-3

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EXHIBIT G

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NATIONAL MASTER
UNITED PARCEL SERVICE
AGREEMENT



For the Period:
August 1, 1997 through July 31, 2002

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NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

For the Period of
August 1, 1997 through July 31, 2002

covering:

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the "Employer," and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1. PARTIES TO THE AGREEMENT

The Employer and the Union adopt this Article and enter into this Agreement with a mutual intent of preserving and protecting work and job opportunities for the employees covered by this Agreement. No bargaining unit work will be subcontracted, transferred, leased, assigned or conveyed except as provided in this Agreement.

Section 1. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any existing centers, new centers, new trailer repair shops, new air hubs and gateway operations, new buildings, and any other new

operations of the Employer within the jurisdiction of the Local Union signatory to this Agreement as determined or may be determined by the International Brotherhood of Teamsters, with regard to wages, hours and other conditions of employment.

Section 2. Employees Covered

Employees covered by this Agreement shall be construed to mean, where already recognized, feeder drivers, package drivers, sorters, loaders, unloaders, porters, office clerical, clerks, mechanics, maintenance personnel (building maintenance), car washers, United Parcel Service employees in the Employer's air operation, and in the extent allowed by law, employees in the export and import operations performing load and unload duties, and other employees of the Employer for whom a signatory Local Union is or may become the bargaining representative.

In addition, effective August 1, 1987, the Employer recognized as bargaining unit members clerks who are assigned to package center operations, hub center operations, and/or air hub operations whose assignment involves the handling and progressing of merchandise, after it has been tendered to United Parcel Service to effectuate delivery. These jobs cover: package return clerks, bad address clerks, post card room clerks, damage clerks, rewrap clerks, and hub and air hub return clerks. This agreement also governs the classifications covered in Article 39—Trailer Repair Shop.

Section 3. Transfer of Company Title or Interest

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation, or portion thereof, or rights only, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation or use of such rights shall continue to be subject to the terms and conditions of this Agreement, for the life thereof.

On the sale, transfer or lease of an individual run or runs, or rights only, the specific provisions of this Agreement shall prevail. It is

understood by this Section that the parties hereto shall not sell, lease or transfer such run or runs or rights to a third (3rd) party to evade this Agreement.

In the event the Employer fails to require the purchaser, the transferee, or lessee to agree to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Local Union and to employees covered for all damages (including but not limited to monetary damages) sustained as a result of such failure to require assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof, including rights only. Such notice shall be in writing with a copy to the Local Union, at the time the seller, transferor, or lessor executes a contract or transaction as herein described. The Teamsters United Parcel Service National Negotiating Committee and Local Unions involved shall also be advised of the exact nature of the transaction, not including financial details.

ARTICLE 2. SCOPE OF AGREEMENT

Section 1. Single Bargaining Unit

All employees, Unions and the Employer covered by this Master Agreement and the various Supplements, Riders and Addenda thereto, shall constitute one (1) bargaining unit. It is understood that the printing of this Master Agreement and the aforesaid Supplements, Riders and/or Addenda in separate agreements is for convenience only and is not intended to create separate bargaining units.

To the extent provided by law, this Agreement shall be applied to all subsequent additions to, and extensions of, current common carrier operations of the Employer and newly established operations of the Employer which are utilized as a part of such current operations of the Employer, without additional evidence of Union representation

of the employees involved (provided that newly acquired operations of the Employer, which are not utilized as a part of such current common carrier operation of the Employer, shall not be deemed additions to, or extensions of, operations of the Employer). If the Employer purchases a related common carrier business, the Employer, to the extent allowed by law, recognizes the Teamsters U.S. National Negotiating Committee as the bargaining representative and will meet to negotiate proper terms to be included in that new bargaining agreement.

Section 2. Riders

Present Supplements, Riders and Addenda shall remain in effect.

Any new Supplement, Rider or Addendum, or changes to Supplements, Riders or Addenda or in the contract affiliation of any Local Union covered by this Agreement must be submitted to the Joint National Negotiating Committee for review and approval. Failure to be approved by the Committee shall render said Supplement, Rider or Addendum null and void.

Any lesser conditions contained in any Supplement, Rider or Addendum shall be superseded by the conditions contained in this Master Agreement. However, except where specifically stated otherwise in the Master Agreement, nothing in this Master Agreement shall deprive any employee of any superior benefit contained in their Supplement, Rider or Addendum.

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the National Union Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees of the Employer in covered classifications. The employees and Unions covered under this Master Agreement and the various Supplements, Riders and Addenda thereto shall constitute one (1) bargaining unit.

(b) When the Employer needs additional employees, he shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

If employees are hired through an employment agency, the Employer shall pay the employment agency fee, if any, due from the employee. However, if the Union has been given equal opportunity to furnish employees, as provided herein, and if the employee is retained through the probationary period, this fee need not be paid until the thirty-first (31st) day of employment, except as otherwise provided in the Local Union Supplements, Riders and Addenda.

Business agents and/or a steward shall be permitted to attend new employee orientations in the right-to-work states. The sole purpose of the business agent's or steward's attendance shall be to encourage new employees to join the Union. The steward shall remain on the clock for up to fifteen (15) minutes for that purpose if the orientation is held during his or her normal working hours at his or her normal place of work.

Section 2. Union Shop and Dues

(a) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union in good standing as a condition of employment. In order to assist the Local Unions in maintaining current and accurate membership records, the Employer will furnish the appropriate Local Union a list of new employees. The Employer agrees to notify the Local Union when a new employee attains seniority. This notification will be made in conjunction with the new employee listing. The list will include the name, address, social security number, date of hire, hub or center to which assigned, shift, and classification or position hired into. The list will be provided on a monthly basis. All present employees who are not members of the Local Union and all employees who are hired hereafter, shall become and remain members in good standing of the Local Union as a condition of employment on and

after the thirty-first (31st) day following the beginning of their employment, or on and after the thirty-first (31st) day following the effective date of this subsection, or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union, as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be offered to such employees on the same basis as all other members, and further that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provision of the National Labor Relations Act, but not retroactively.

(h) No provision of Section 2(a) of this Article shall apply to the extent that it may be prohibited by state law.

Section 3. Dues Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the initiation fees, dues and/or uniform assessments of the Local Union having jurisdiction over such employees. The Local Union will provide the Employer a weekly amount to be deducted from each employee. The Local Union will individually specify the weekly amount to be deducted for initiation fees, union dues and/or assessments. For initiation fees and assessments, the Local Union will notify the Employer the number of weeks these deductions are to be taken from the employee. Notification of deductions to be made by the Employer for the benefit of the Local Union must be received at least one (1) month prior to the date the deduction is to be made. The obligation of the Local Union to provide this information shall be satisfied by the transmission of a computer file in mutually agreeable format.

The Employer will provide a remittance to the Local Union within fifteen (15) days following the check date the deduction was taken. With each remittance, the Employer shall submit a report, by center and/or sort, listing all employees alphabetically with their social security number and job classification. For those

employees who had no deduction for the week, the Employer will provide a reason. In the event the Local Union does not want to receive a weekly remittance, the Employer will provide a monthly remittance by the 15th day of the following month. However, if this option is chosen, the Employer will still make weekly deductions as described above.

Where law requires written authorization by the employee, the same is to be furnished in the form required. No deduction shall be made which is prohibited by applicable law.

Any Local Union shall have the option of monthly deductions with monthly remittance on or before the 15th day of the same month.

On written request of the employee, payroll deductions will be made to purchase U.S. Savings Bonds for said employee.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer agrees to deduct certain specific amounts each week from the wages of those employees who shall have given the Employer written notice to make such deductions. The Employer will remit amounts deducted to the applicable credit union once each week. The amount so deducted shall be remitted to the applicable credit union once each month or weekly. The Employer

shall not make deductions and shall not be responsible for remittance to the credit union for any deductions for those weeks during which the employee's earnings shall be less than the amount authorized for deductions.

In the event the Employer has been determined to be in violation of this Article by a decision in the grievance procedure, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Section 4. Work Assignments

The Employer agrees to respect the jurisdictional rules of the Union and, except as otherwise provided in this Master Agreement, Supplements, Riders, or Addenda, shall not direct or require their employees or persons, other than the employees in the bargaining units here involved, to perform work which is recognized as the work of the employees in said units. This is not to interfere with bona fide agreements with bona fide unions.

Section 5

The term "Local Union" as used herein refers to the IBT Local Union which represents the employees of the Employer at the particular place or places of business to which this Agreement, and the Supplements, Riders or Addenda thereto are applicable, unless by agreement of the Local Unions involved or by directive issued pursuant to the IBT International Constitution.

Section 6

When the Employer institutes an electronic funds transfer (EFT), system the employee shall have the option of participating.

Section 7. Supervisors Working

The Employer agrees that supervisors or other employees of the

Employer who are not members of the bargaining unit shall not perform any bargaining unit work except where permitted by the applicable Supplement, Rider or Addendum and only after exhausting all procedures set forth in such Supplement, Rider or Addendum.

The Employer also agrees that supervisors shall not perform bargaining unit work in preparing the work areas before the start of the Employer's hub, preload or reload operation, nor shall the Employer send any bargaining unit employee home and then have such employee's work performed by a supervisor.

If an aggrieved employee proves at any step of the grievance procedure that a supervisor performed bargaining unit work in violation of the supervisor's working provisions in this Agreement or the applicable Supplement, Rider or Addendum under which the employee is entitled to be paid, he or she will be provided the following remedy: If such work amounts to less than two (2) hours the aggrieved employee will be paid the actual hours worked by the supervisor. If the supervisor's work exceeded two (2) hours, the aggrieved employee will be paid four (4) hours or actual hours worked whichever is greater. Any payments shall be at the grievant's rate of pay. Such remedy shall be in addition to any other remedies sought by the Union in the applicable grievance procedure.

ARTICLE 4. STEWARDS

The Employer recognizes the right of the Local Union to designate Job Stewards and alternates from the Employer's seniority list. The authority of Job Stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

- (a) The investigation and presentation of grievances with the Employer or the designated company representative in accordance with the provisions of the collective bargaining agreement;
- (b) The collection of dues when authorized by appropriate Local Union action; and

(c) The transmission of such messages and information, which shall originate with, and are authorized by the Local Union or its officers, provided such message and information:

(1) have been reduced to writing; or

(2) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Job Stewards and alternates have no authority to take strike action or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer recognizes these limitations upon the authorized Job Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper, nondiscriminatory discipline, including discharge. However, in the event the Job Steward or the designated alternate has led, or instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement he/she may be singled out for more serious discipline, up to and including discharge.

Recognizing the importance of the role of the Union Steward in resolving problems or disputes between the Employer and its employees, the Employer reaffirms its commitment to the active involvement of union stewards in such processes in accordance with the terms of this Article.

The Job Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Employer's operation. Upon notification to his or her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. The Employer will make a reasonable effort to insure that its operations are not interrupted by the

steward's engaging in such activity. The Employer shall not use interruption of its operation as a subterfuge for denying such right to the steward.

Where mutually agreed to by the Local Union and Employer, stewards may investigate off the property or other than during their regular schedule, without loss of time or pay. Stewards will be paid for time spent in meetings under this Article which occur during the steward's regular working hours. Stewards shall also be paid for time spent in meetings which occur outside his or her working hours, or on days off, by mutual consent. Such time spent during the Job Steward's or the designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the Job Steward or the designated alternate.

The Employer recognizes the employee's right to be given requested representation by a Steward, or the designated alternate, at such time as the employee reasonably contemplates disciplinary action. The Employer also recognizes the steward's right to be given requested representation by another Steward, or the designated alternate, at such time as the Steward reasonably contemplates disciplinary action. When requested by the Union or the employee, there shall be a steward present whenever the Employer meets with an employee concerning grievances or discipline or investigatory interviews.

In such cases, the meeting shall not be continued until the steward or alternate steward is present.

If an employee does not wish to have a Union steward present in any meeting where the employee has a right to Union representation under this Article, the employee shall sign a waiver of Union representation, a copy of which shall be furnished to the Union upon its request.

Job Stewards, or designated alternates, shall be allowed to wear an identifying steward's badge, provided by the Union, at all times while on the Employer's premises.

ARTICLE 5. SANITARY CONDITIONS

The Employer agrees to maintain a clean, sanitary washroom having hot and cold running water with toilet facilities in all present and future buildings. The Employer further agrees to provide separate toilet and changing facilities for male and female employees in all present and future UPS buildings which have more than fifteen (15) drivers.

The Employer shall implement procedures designed to ensure privacy for all employees when using facilities in UPS buildings with fifteen (15) or fewer drivers.

Such toilet facilities will be equipped with proper ventilation devices and shall be heated as climatic conditions shall warrant.

The Employer agrees to provide lockers for those employees who are required to change into a uniform or take a lunch period. All other employees will be provided a suitable area for keeping personal items and clothes.

ARTICLE 6

Section 1. Extra Contract Agreements

Except as may be otherwise provided in this Agreement, the Employer agrees not to enter into, or attempt to enter into, any agreement or contract with its employees, either individually or collectively, or to require or attempt to require employees to sign any document, either individually or collectively, which in any way conflicts with the provisions of this Agreement. Any such Agreement or document shall be null and void. Any such agreement or document may not be placed in an employee's file or used by the Employer as a basis for discipline or used in connection with any disciplinary proceeding, nor may any such agreement or document nor the contents thereof be divulged to any person or entity.

In addition, an employee's refusal to sign a Company form relating to the principle of a fair day's work shall not be used for

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disciplinary purposes unless the signing is required by law or by this Agreement.

Section 2. Workweek Reduction

If either the Fair Labor Standards Act or the Hours of Service Regulations are subsequently amended so as to result in substantial penalties to either the employees or the Employer, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected. Thereafter the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory solution. In the event the parties cannot agree on a solution within sixty (60) days, or mutually agreed extensions thereof after receipt of the stated written notice, either party shall be allowed economic recourse.

Section 3. New Equipment

Where new types of equipment and/or operations, for which rates of pay are not established by this Agreement, are put into use after the ratification date of this Agreement within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties. This paragraph shall apply to all new types of equipment including office and clerical equipment.

In the event agreement cannot be reached within sixty (60) days after the date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition. Rates agreed upon or awarded shall be effective as of the date equipment is put to use.

Section 4. Technological Change

1. Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of the bargaining unit or significantly diminishes the number of workers in the bargaining unit.

2. The Employer and the Union agree to establish a National Transfer/UPS Committee for Technological Change, consisting

- 13 -

of an equal number of representatives from the Union and UPS. The Committee shall meet at the request of either party.

3. The Employer will advise the affected Local Unions and the National Teamster/UPS Committee for Technological Change of any proposed technological changes at least six (6) months prior to the implementation of such change except where the change was later determined in which case the Employer shall provide as much notice as possible.

4. The Employer shall be required to provide the Local Union or the National Teamster/UPS Committee for Technological Change, upon written request, any relevant information to the extent available regarding the technological changes.

5. The Employer will meet with the Local Union, or, if requested, the National Teamster/UPS Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

6. In the event that the Local Union and Employer cannot reach an agreement on effects, the matter shall be referred to the National Teamster/UPS Committee for Technological Change.

7. In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 8 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

Section 5, Hourly Training

1. It is agreed that Teamster represented employees, on a voluntary basis, may train other employees. UPS reserves the right to choose to use or not to use Teamster represented trainers to fulfill its training needs.

2. Trainers shall be paid a \$.50 per hour training premium for each hour spent training.

Drivers training helpers, in accordance with Supplemental Agreements, and two (2) on the car rides for the purpose of route knowledge shall not be entitled to the training premium.

3. The parties shall establish a National Training Committee. The Committee shall be empowered to hear and resolve any disputes that may arise over these issues. Unresolved disputes will be subject to the National Master Grievance Committee.

4. Each Supplemental area shall meet and agree or continue existing agreements on the details of the application of this agreement in their area in accordance with Supplemental language. Other issues left for resolution at this level include, but are not limited to, the minimum qualifications for trainers, if any, the number of hours to be worked by the trainer, and the application of Supplemental language concerning compensation for work performed in higher classifications. Disputes shall be resolved in accordance with paragraph 3.

5. Trainer selection and assignments to on the job training will be done in accordance with supplemental seniority provisions, providing the trainers have the necessary qualifications and skills for the job.

6. The training records that a Teamster represented trainer can be required to complete for drivers, are those previously agreed to by the parties. If the Employer wishes to amend these forms, it will first meet and agree with the National Training Committee. Such agreement will not be unreasonably withheld. No training record or verbal report by the trainer will be relied upon to discipline any employee or to evaluate any seniority employee's performance.

7. If a trainer is removed from the qualified list by the Employer, that employee and the Local Union shall have access to the grievance procedure. If the Union establishes that the removal was not for just cause, the grievant shall be reinstated.

8. No trainer shall be required to train in any method which violates the Collective Bargaining Agreement.

9. Teamster represented trainers will not be permitted to perform or recommend disciplinary action.

10. Teamster represented trainers will not be required to make decisions or recommendations regarding the attainment of seniority, by their trainees. The decision as to whether a trainee attains seniority will be made solely by UPS management.

11. Employees to be retrained, after qualifying in their classification, and seniority employees scheduled for safety rides, may request that a non-bargaining unit employee perform that training, in lieu of a Teamster represented trainer. Such requests will be honored.

12. Trainers will not be held liable for auto accidents incurred by the trainee.

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

Except in cases involving cardinal infractions under the applicable Supplement, Rider or Addendum, an employee to be discharged or suspended shall be allowed to remain on the job, without loss of pay unless and until the discharge or suspension is sustained under the grievance procedure. Notwithstanding the foregoing, any superior provisions in Supplements, Riders or Addenda shall prevail. The Union agrees it will not unreasonably delay the processing of such cases.

Provisions relating to local, state and area grievance machinery are set forth in the applicable Supplements, Riders or Addenda to this Agreement. The procedures set forth in the local, state and area grievance procedure may be invoked only by the authorized Union representative or Employer.

All monetary grievance settlements shall be submitted by separate check payable to the grievant or grievants and a copy of the same

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sent to the Local Union for their records. Such settlements shall be paid within ten (10) working days of the settlement.

Authorized representatives of the Union may file grievances alleging violation of this Agreement, under local grievance procedure, or as provided herein. Time limitations regarding the processing of grievances, if not set forth in the respective Supplemental Agreements, Riders or Addenda, must appear in the Rules of Procedures of the various grievance committees and shall apply equally to the Employer, the Union and the employees.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

All grievances and/or questions of interpretation arising under the provisions of this National Master Agreement shall be resolved in the following manner:

Deadlocked cases involving only National Master language may be submitted to the National Master Panel for decisions. Those deadlocked cases which cannot be decided by a lower panel because of disagreement over the interpretation of National Master language may be submitted to the Master Panel for interpretation. Requests for interpretations with no factual case to be decided, will be heard by the Master Panel by mutual agreement of the Co-Chairpersons. Interpretations rendered on factual cases by the National Grievance Committee will be sent back to the lower panel to be used to resolve the factual case.

The Committee shall be composed of an equal number of Employer and Union representatives. The National Grievance Committee shall meet upon call of the Chairman of either the Employer or Union representatives on the National Grievance Committee. The National Grievance Committee shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report with the final decision or approval, however, to be made by the National

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Grievance Committee. If the National Grievance Committee resolves any dispute by a majority vote of those present and voting, such decision shall be final and binding upon all parties.

Section 2. Work Stoppages

All grievances and/or questions of interpretation arising under the provisions of this National Master Agreement shall be submitted to the grievance procedure for determination.

Accordingly, no work stoppage, slowdown, walkout or lockout over such grievances and/or questions of interpretation shall be deemed to be permitted or authorized by this Agreement except:

(a) failure to comply with a duly adopted majority decision of the National Grievance Committee;

(b) failure to make health & welfare and pension contributions in the manner required by the applicable Supplemental Agreements, Riders and/or Addenda; and,

(c) nonpayment of established wage rates provided for in this Agreement, Supplements, Riders and/or Addenda.

Except as provided in subsections (b) and (c) of this Section, strikes, work stoppages, slowdowns, walkouts or lockouts over disputes, which do not arise under provisions of this National Master Agreement, shall be permitted or prohibited as provided in the applicable Supplement, Rider and/or Addendum. The Local Union shall give the Employer a seventy-two (72) hour prior written notice of the Local Union's authorization of strike action, which notice shall specify the majority National Grievance Committee decision or deadlocked National Grievance Committee decision providing the basis for such authorization. The Local Union shall comply with the provisions of the applicable Supplemental Agreement, Rider and Addendum relating to strike action resulting from delinquencies in the payment of health and welfare or pension contributions.

Section 3.

The Union and Employer may under this section review and

reverse, if necessary, decisions by any area, regional or local grievance committee which interprets Master language erroneously.

The National Grievance Committee may consider and review decisions raising an issue of interpretation of Master Agreement language which are submitted by the Union (either the Parcel and Small Package Director or the General President's designee) or the designated Employer representative. The committee shall have the authority to reverse and set aside the majority decision of any area, regional, or local grievance committee, if, in its opinion, such decision is contrary to the language of the National Master Agreement. The decision of the National Grievance Committee shall be final and binding. The National Grievance Committee shall determine whether a decision submitted to it raises an issue of interpretation of Master Agreement language.

In order for such cases to be reviewed, the decision must interpret Master language. A decision raising an issue of interpretation of Master Agreement language is one in which (1) Master Agreement language was interpreted by a lower panel (2) the interpretation sets a precedent for future grievances; and (3) a reasonable case can be made that the lower panel interpretation was contrary to the true meaning of the Master Agreement. If the National Grievance Committee deadlocks on whether a decision meets these criteria, arbitration may be requested pursuant to Article 8, Section 4.

Prior to such cases being placed on the Master docket, the moving party (either the Parcel and Small Package Director or the General President's designee or the designated Employer representative) shall confer with his counterpart and discuss the matter.

Cases that are docketed will be presented in the following manner:

1.) The representatives of the moving party, as described above, present first.

2.) The presenter will cite the specific Master language that the lower panel interpreted.

3.) Any evidence to prove that the interpretation was contrary to the provisions set forth in the Master Agreement must be presented.

4.) The representative of the responding party will present any responsive evidence he deems necessary.

5.) If the Master Panel is unable to reach agreement, then either party may appeal the issue presented to final and binding arbitration.

Decisions made by lower panels that are properly submitted to the National Grievance Committee pursuant to this Article and Section shall be reviewed by the National Grievance Committee. A decision will be entered by the National Grievance Committee based upon its interpretation and the facts of that case. Such decision will be final and binding upon the parties.

Arbitration decisions under any Supplement, Rider or Addendum which interpret Master Agreement language may also be submitted to the National Grievance Committee provided the three above-referenced criteria are satisfied. If an arbitration decision is reviewed by the National Grievance Committee it shall be processed in accordance with this section except that the Committee will make a final and binding decision rather than refer the case back to the arbitrator. Article 8, Section 4 shall not apply if the National Grievance Committee deadlines upon review of an arbitrator's decision.

Section 4.

Where the National Grievance Committee fails to reach a majority decision as to any case submitted pursuant to this Article (excepting arbitrator decisions) either party shall have the right to refer the case to binding arbitration. Either party wishing to submit a grievance to arbitration must do so within ten (10) days of mailing or hand delivery of the National Grievance Committee deadlock decision. The arbitrator is to be selected from an American Arbitration Association national panel list and all aspects of the arbitration procedure shall be governed by the Rules of the American Arbitration Association.

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Any provision in the grievance procedure of any Supplement, Rider, or Addendum hereto which would require deadlocked disputes to be determined by any arbitration process, shall be null and void as to any grievance and/or interpretation of the National Master Agreement. The decision of the National Grievance Committee as to whether a grievance and/or interpretation which is subject to this procedure shall be final and conclusive.

Section 5.

Any grievance that does not raise an issue of interpretation of a Master Agreement Article or Section shall be resolved pursuant to the provisions relating to the local, state and area grievance procedures set forth in the applicable Supplements, Riders and Addenda. Prior to invoking the arbitration procedure the parties, by mutual agreement, may submit said case to the National Grievance Committee for resolution.

In the event of strikes, work stoppages, or other activities which are permitted in case of default or failure to comply with majority decisions under this Agreement, no decision and/or interpretation of this Agreement by any tribunal shall be binding upon the Union or affect the legality or lawfulness of the strikes unless the Union stipulates to be bound by such interpretation, it being the intention of the parties to resolve all grievances and/or questions of interpretation by mutual agreement.

In any Section of this Article where language refers to deadlocks, either party shall have the right to refer any unresolved case to arbitration, except as specified otherwise in Section 2 of this Article.

Section 6.

The arbitrator shall have the authority to apply the provisions of this Agreement and to render a decision on any grievance coming before him/her but shall not have the authority to amend or modify this Agreement or to establish new terms or conditions of employment.

Any grievance that does not raise an issue of interpretation of a Master Agreement Article or Section shall be resolved pursuant to

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the provisions relating to the local, state and area grievance procedures set forth in the applicable Supplements, Riders and Addenda. The no-strike, work stoppage, slowdowns, walkout and lockout provisions of the Supplemental Agreements, Riders and Addenda shall apply to such grievances. Prior to invoking the arbitration procedure the parties, by mutual agreement, may submit said case to the National Grievance Committee for resolution.

Section 7.

Deadlocked cases referred from the National Grievance Committee to binding arbitration pursuant to this Article, will be governed by the following procedures:

1. The arbitration process will be administered by the offices of the American Arbitration Association, whose offices located in the following cities will administer deadlocked cases arising from the following corresponding geographical Regions of the International Brotherhood of Teamsters:

| | |
|---------------|----------|
| New York City | Eastern |
| Chicago | Central |
| Los Angeles | Western |
| Atlanta | Southern |

2. The parties will jointly designate twenty-four (24) arbitrators, who will each commit to hear one (1) case during each contract year of the Agreement.

3. The panels will consist of the following number of arbitrators who hear American Arbitration Association administered cases in each Region of the IRT:

| | |
|----------|---|
| Eastern | 8 |
| Central | 7 |
| Southern | 4 |
| Western | 5 |

4. The parties shall attempt to agree on the four (4) panels within thirty (30) days of the conclusion of negotiations. Failing agreement within that time, the parties shall exchange lists of two

(2) times the number of arbitrators to be assigned to each regional panel within fifteen (15) days thereafter and at the conclusion of an additional fifteen (15) days will alternatively strike from the lists until the correct number of arbitrators is left for each panel. Any arbitrator proposed by the Employer or Union must be a member of the National Academy of Arbitrators and reside within the geographical area covered by the panel. Within thirty (30) days of the panel's selection, the parties and arbitrators will agree upon arbitration hearing dates for the following contract year.

5. Each arbitrator will reserve two (2) consecutive hearing dates agreed to by the parties for each contract year.

6. Once a case is assigned to an arbitrator it will remain with that arbitrator until it is concluded.

7. Either the Company or Union may request by June 1 of each year of this Agreement that any panel be replaced. Any cases already assigned to an arbitrator will be concluded. A new panel will be selected in accordance with the selection procedures set forth in paragraph 4 above prior to the conclusion of the next National Grievance Committee meeting. If there is no request for a new arbitrator, the parties will conclude the scheduling for the following year by July 1. The parties may mutually agree in writing to remove any individual arbitrators from the panel.

8. Except in unusual circumstances, arbitrations will be scheduled for 10:00 a.m. until at least 5:00 p.m.

9. Deadlocked cases from each National Grievance Committee meeting will be assigned in the order of the dates of the respective underlying grievances to the arbitrators on the appropriate panel in the order of their scheduled dates. If there is more than one (1) deadlocked case on the same contractual issue, the date of the earliest dated grievance on the issue will determine the location of the hearing.

10. In the event that an arbitration will not be scheduled until more than six (6) months from the National Panel decision, the

American Arbitration Association ad hoc selection procedure used by the parties as of July 31, 1997 will be used through the appropriate AAA office listed above to select an arbitrator and schedule the hearing.

11. There shall be no more than one (1) cancellation of arbitration dates by either party in the hearing of any single arbitration case, except as permitted by the arbitrator with good cause.

12. The American Arbitration Association and arbitrator's fees and expenses shall be shared equally by the parties.

13. The location of the arbitration will be determined by mutual agreement, taking into account the travel requirements of witnesses, counsel and the arbitrator. In the event that the parties are unable to agree on the location, the arbitrator will decide. All hearings will be held at the American Arbitration Association offices unless the parties mutually agree on an alternate site.

14. Any or all of the foregoing may be modified in writing by mutual agreement of the parties at any time.

ARTICLE 9. PROTECTION OF RIGHTS

Section 1. Picket Line

It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action (including but not limited to the temporary or permanent replacement of any employee) in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's place of business.

Section 2. Struck Goods

It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action if any employee refuses to perform any service which his/her Employer undertakes to perform as an ally of an employer or person whose employees are

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on strike, and which service, but for such strikes, would be performed by the employees of the employer or person on strike.

Section 3.

Subject to the appropriate subcontracting provisions of this Agreement, the Employer agrees that it will not cease or refrain from handling, using, transporting, or otherwise dealing in any of the products of any other employer or cease doing business with any other person, or fail in any obligation imposed by the Motor Carrier's Act or other applicable law, as a result of individual employees exercising their rights under this Agreement or under law, but the Employer shall, notwithstanding any other provision in this Agreement, when necessary, continue doing such business by other employees.

Section 4.

The layover provisions of the applicable Supplemental Agreement, Rider or Addendum shall apply when the Employer knowingly dispatches a road driver to a terminal at which a primary picket line has been posted as a result of the exhaustion of the grievance procedure, or after proper notification of a picket line permitted by the collective bargaining agreement, or economic strikes occurring after the expiration of a collective bargaining agreement or in achieve a collective bargaining agreement.

Section 5. Grievances

Within five (5) working days of filing a grievance claiming violation of this Article, the grievance shall be submitted directly to the National Grievance Committee without taking any intermediate steps, any other provision of this Agreement to the contrary notwithstanding.

ARTICLE 10. LOSS OR DAMAGE

Section 1.

No employee shall make any reimbursement or have monies deducted from his/her pay for loss or damage to parcels except as provided in this Section.

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No employee shall be disciplined or required to make reimbursement for lost or damaged parcels unless the Employer demonstrates that the employee, without justification or mitigation, violated pertinent established rules or policies, the observance of which would have prevented the loss or damage. In no event shall a driver be subject to reimbursement for loss or damage to a Driver Release parcel valued at one hundred dollars (\$100.00) or less.

An employee who is charged for loss or damage by the Employer shall not be subject to both discipline and reimbursement. The Employer will clearly notify the employee and the Union of its intent to either discipline or seek reimbursement.

When an employee is subject to discipline, the employee shall not make any reimbursement for such loss or damage. When an employee is subject to reimbursement, the employee shall not be subject to discipline for such loss or damage.

Any employee who is found to be responsible for two (2) reimbursements in a twelve (12) month period may receive a warning letter in addition to being responsible for reimbursement should a third (3rd) loss occur in the same twelve (12) month period.

No action shall be taken by the Employer under this Section until the grievance procedure is invoked and concluded. In such grievance hearings the Employer shall present its case first.

If an employee is held liable for reimbursement for loss or damage under Article 10, Section 1 in regard to any package, he/she will be held liable for the value of the package, the amount paid by the Employer to the customer, or the insured value of the package, whichever is least.

Reimbursement schedules shall be reasonable and fair, based upon the circumstances of each case.

This Article is not to be construed as permitting charges for loss or damage to equipment or for any damage to merchandise as a result of a vehicular accident under any circumstances.

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Section 2.

Employees handling money shall account for and remit the same to the Employer at the completion of each day's work. An employee's cash turn in may be verified or audited by the Employer. If the Employer fails to verify and deposit an employee's cash turn-in, when requested, no deduction or disciplinary action shall be taken. Upon request by the Local Union, the Employer and the Local Union shall meet to review the problem of cash C.O.D.s in high crime areas and the protection of the employees who work in these areas. The subjects for review and implementation if agreed upon shall include but not be limited to those listed below. The Employer shall not unreasonably withhold its agreement on the following issues

1. Installation of safes in package cars;
2. C.O.D. curfews;
3. Review of special information about high crime areas with substitute drivers;
4. Cashiers checks rules; and
5. The transportation of cash via feeders.

The parties will discuss the use of improved technology, including but not limited to, credit or debit cards to reduce the use of cash C. O. D's.

To ensure that the employee will not be held accountable when the Employer verifies and deposits or fails to verify and/or deposit the employee's cash turn-in, the employee and Employer will sign a document, to be maintained by the Employer, showing whether the employee requested verification and deposit and whether the employee's cash turn-in has either been verified and deposited or not verified and/or deposited.

In cases of proven bona fide error (in addition or subtraction) of the cash turn-in, the employee will be responsible for making proper restitution for such shortage.

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In such cases of bona fide error, the Employer and an employee, with the participation of the Local Union and where permitted by applicable law, shall execute a written document providing for an agreed upon amount and schedule of reimbursement and/or deduction. A copy of any such agreement will be provided to the Local Union.

The Employer shall make a reasonable effort to collect for losses due to bad checks. The employee shall not be held liable for restitution if he/she accepts an irregular check if a reasonable person would have accepted the check.

The Employer will not post or make available for viewing in the work place any employee's social security number or home telephone number.

In areas where bidding systems require both a signature and a phone number, an employee will have the option of providing his/her phone number privately to the person controlling the bid.

Section 3.

The Employer shall reimburse employees for loss of personal money or personal property in a holdup while on duty, up to a maximum of two hundred dollars (\$200.00) per employee, provided the employee promptly reports such holdup to the Employer and the police, and cooperates in the investigation of such holdup. Employees shall be paid for all time involved. However, reimbursement for cash loss shall be limited to one hundred dollars (\$100.00).

ARTICLE 11. BONDS

Should the Employer require any employee to give bond, cash bond shall not be compulsory and any premium involved shall be paid by the Employer.

The primary obligation to procure the bond shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to do so shall relieve the employee of the bonding requirement. If

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proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements. Standard premiums shall be that premium paid by the Employer for bond applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge, unless the bond is canceled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

ARTICLE 12. POLYGRAPH

No applicant for employment and no employee will be required to take any form of a lie detector test as a condition of employment.

Upon request, an employee or the Union may inspect the record of an employee's time recorded on the D/AD or other device for previous days' work. An employee will be permitted to examine the operation record for the current pay period for the purpose of ascertaining his/her hours worked.

The Employer agrees to provide forms for the employee to record his/her starting and ending times.

When requested by the Union, time clocks will be left in place for employees to record their work hours for their own personal use.

ARTICLE 13. PASSENGERS

No driver shall allow anyone, other than employees of the Employer who are on duty, to ride on their truck except by written authorization of the Employer, except in cases of emergency arising out of disabled commercial equipment, accidents, or an Act of God, in accordance with Department of Transportation regulations.

ARTICLE 14. COMPENSATION CLAIMS

Section 1.

When an injury is reported the reference number will be given to the employee and when requested, a copy of the injury report will

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be furnished to the employee within two (2) working days of such request. A copy of the injury report will also be furnished to the Local Union if requested by a Local Union official.

The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims.

The Employer shall provide the Union Co-chair of the National Safety and Health Committee with current summaries of the essential functions of all positions covered by this Agreement.

The Employer shall provide Worker's Compensation protection for all employees even though not required by state law or the equivalent thereof if the injury arose out of or in the course of employment.

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. Upon receiving an employee's timely report of injury, the Employer shall not pressure an employee to continue to work. When, because of such pressure, an employee spends time in a clinic after his or her normal finish time, the time spent shall be the subject of a pay claim through the grievance procedure.

An employee who has returned to regular duties after sustaining a compensable injury, and who is required by the Worker's Compensation doctor to receive additional medical treatment during the employee's regularly scheduled working hours, shall receive the employee's regular hourly rate of pay for such time.

The Employer agrees to provide any employee injured locally immediate transportation, at the time of injury, from the job to the nearest appropriate medical facility and return to the job, or to the employee's home, if required. In the event that any employee sustains an occupational illness or injury while on a run away from the home terminal, the Employer shall provide transportation by bus, train, plane or automobile to the employee's home terminal, if and when directed by a doctor.

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In the event of a fatality, arising in the course of employment while away from the home terminal, the Employer shall return the deceased to the home of the deceased at the point of domicile.

Section 2. Temporary Alternate Work

The Company may continue a modified work program on a non-discriminatory basis. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury. Employees shall be provided their guaranteed hours for the duration of TAW, provided the work is available. These guaranteed hours will be reduced as medical restrictions dictate.

In areas where the Company wants to further implement this procedure, the program will be reviewed with the Local Union for their approval. If either party wants to include non-work related injuries or illnesses under the TAW program the parties will meet and agree upon such amendment. Any unresolved issues will be referred to the National Safety and Health Grievance Committee for resolution.

The Employer will develop a list of possible TAW assignments by location. It is understood that this list may not be all-inclusive and management maintains the right to determine the availability and designation of all TAW assignments.

Any such program that has been, or is in effect, as of the effective date of this Agreement, shall be reviewed with the appropriate Local Union upon request. Any disagreement regarding such programs shall be subject to the applicable grievance procedure.

Section 3. Permanently Disabled Employees

The Parties agree to abide by the provisions of the Americans with Disabilities Act. The Company shall be required to negotiate with the Local Union prior to providing a reasonable accommodation to a qualified bargaining unit employee.

The Company shall make a good faith effort to comply in a timely

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manner with requests for a reasonable accommodation because of a permanent disability. Any grievance concerning the accommodation not resolved at the center level hearing will be referred to the appropriate Union and Company co-chairs for the Local Area or to the Region Grievance Committee, if applicable. If not resolved at that level within ten (10) days, the grievance shall be submitted directly to the National Safety and Health Grievance Committee.

Any claim in dispute concerning rights under this Section shall be addressed under the grievance and arbitration procedures of this Agreement. A grievance may be filed by an employee or the Union, notwithstanding any contrary provision in any Supplement, Rider or Addendum. The submission of a claim under this Section to the grievance and arbitration procedures of the Agreement shall not prohibit or impede an employee or the Union from pursuing their statutory rights under the Americans with Disabilities Act (ADA) or comparable state or local laws.

The parties agree that appropriate accommodations under this Section are to be determined on a case-by-case basis.

ARTICLE 15. MILITARY CLAUSE

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage as provided by USERRA, and pension contributions for the employee's period of service, as provided by USERRA. Employees shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

The Employer, in its discretion, may make additional payments or award additional benefits to employees on leave for service in the uniformed services in excess of the requirements outlined in the USERRA.

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ARTICLE 16. LEAVE OF ABSENCE

Section 1.

The Employer agrees to grant the necessary time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity on other official business, provided forty-eight (48) hours written notice is given to the Employer, by the Union, specifying length of time off. The Union agrees that, in making its request for time off for Union activities, due consideration shall be given to the number of employees affected in order that there shall be no disruption of the Employer's operations due to lack of available employees.

A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay.

Section 2.

Any employee desiring leave of absence from employment shall secure written permission from both the Union and the Employer. The request for leave of absence shall be made in writing at least thirty (30) days before the day on which the leave is sought to commence. If the leave is not foreseeable, the employee shall submit the written request as soon as possible and shall include an explanation why the leave was not foreseeable. The Employer and Union shall respond to the request in writing within ten (10) days after receiving the request. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for same must be secured from both the Union and the Employer. During the period of absence, the employee shall not engage in gainful employment, except as provided in Section 3 below.

Failure to comply with this provision shall result in the complete loss of seniority rights for the employees involved. Inability to work because of proven sickness or injury shall not result in the

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loss of seniority rights. The employee may make suitable arrangements for the continuation of health and welfare and pension payments before the leave may be approved by either the Local Union or the Employer.

Section 3. Loss of License

Section 3.1 Leave of Absence

When an employee, in any job classification requiring driving, loses his or her operating privilege or license has been suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, leave shall be granted for such time as the employee's operating privilege or license had been suspended or revoked but not for a period longer than one (1) year, provided the driver whose operating privilege or license has been suspended or revoked notifies the employee's immediate supervisor before the employee's next report to work of such suspension or revocation and further provided that such suspension or revocation was not the result of driving under the influence of narcotics until and unless the employee enters into and completes a drug rehabilitation program in accordance with Article 35, Sections 3.12 and 3.13. The above provision need apply only to the first (1st) suspension or revocation except for suspension of commercial drivers license (CDL) of one (1) year or less duration.

Section 3.2 Alternate Work

(Other than Alcohol/Controlled Substance)

When an employee, in any job classification requiring driving, has lost his/her license under this Article he/she shall be afforded the opportunity to displace junior, one (1) full-time or two (2) part-time, inside employees, until he/she can return to his/her driving job, not to exceed one (1) year, unless provided for otherwise in the Supplements, Riders or Addenda. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to one (1) year.

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Section 3.3. Alternative Work (Alcohol/Controlled Substance)

When an employee, in any job classification requiring driving, has lost his/her license for driving under the influence of alcohol or a controlled substance, until and unless the employee has entered into and completed a drug rehabilitation program in accordance with Article 35, Sections 3.12 and 3.13, will be offered available inside work, one (1) full-time or two (2) part-time openings, not to exceed one (1) year. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to one (1) year.

This Section does not apply to the employee that has lost his/her license for being disqualified for testing positive for controlled substances.

Section 3.4 CDL Qualification

This Article shall also apply in the event an employee is unable to successfully pass the DOT commercial drivers license (CDL) examination provided the employee makes a bona fide effort to pass the test each time the opportunity presents itself.

Section 4. Maternity and Paternity Leave

It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties and maternity leave must comply with applicable state and federal laws.

A light duty request, certified in writing by a physician, shall be granted in compliance with state or federal laws, if applicable.

Paternity leave shall be granted in accordance with Section 6 of this Article with the exception of employees not able to meet the qualifications set out in Section 6, who shall be granted leave not to exceed one (1) week.

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Section 5. Rehabilitation Program - Leave of Absence

An employee shall be permitted to take a leave of absence for the purpose of undergoing treatment in an approved program for alcoholism or substance abuse. Employees may use the United Parcel Service Employee Assistance Program (EAP), a Union sponsored rehabilitation program, as well as any other referral service in choosing an approved program for treatment.

The leave of absence must be requested prior to the commission of any act subject to disciplinary action except as provided in Article 15, Section 3 and Section 4. The leave of absence shall be for a maximum of ninety (90) days; additional time may be granted if it is mutually agreed between the Company and the Union, or requested by the treatment care professional, or the Medical Review Officer (MRO). While on such leave, the employee shall not receive any of the benefits provided by this Agreement, Supplements, Riders and/or Addenda, except the continued accrual of seniority.

If an employee voluntarily enters such a rehabilitation program, under the provisions of the Article, the following shall apply:

1. Before returning to work, the MRO shall ensure that the employee is "alcohol/drug free," based on an alcohol/drug test that shows no positive evidence of the presence of alcohol, a drug or drug metabolite in a person's system.
2. Within one (1) year of the date on which an employee returns to work, the employee may be subject to unannounced alcohol/drug testing, as specified in the return to work agreement. The one (1) year period may be extended only by the aftercare treatment professional, in consultation with the MRO, as necessary, and must be substantiated by written verification of the MRO and aftercare treatment professional.
3. Unannounced alcohol/drug testing for the above-mentioned employee, if required shall be determined by the after-care

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treatment professional, in consultation with the MRO, as provided in this Article. The date, time and place of collection for alcohol/drug testing, if required, shall be determined by the after-care treatment professional, in consultation with the MRO and administered through the MRO.

4. Failure to comply with the after-care treatment plan or a positive specimen as part of the after-care treatment plan will result in discipline pursuant to Article 35, Sections 3, 13 and 4, 12.

All alcohol/drug treatment agreements including pre-care, after-care and return to work agreements entered into shall be confidential and signed by the employee and the treatment care professional/MRO overseeing the treatment program and must have been approved by the Local Union business agent prior to the employee's signature. The post-care agreement shall comply with all provisions of this Article.

The Employer agrees to recognize the employee's rights in privacy and confidentiality while being party to such an agreement. The Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps taken to insure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily.

Section 6. Family and Medical Leave Act (FMLA)

All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 750 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one half (1/2) of the time provided by the FMLA.

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Eligible employees are entitled up to a total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;
3. To care for a spouse, child, or parent of the employee due to a serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the 12/6 week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

ARTICLE 17. PAID-FOR TIME

All employees covered by this Agreement shall be paid for all time spent in service of the Employer. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the employee is effectively released from

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duty. All time lost due to delays as a result of overloads or certificate violations involving federal, state or city regulations, which occur through no fault of the driver, shall be paid for by the Employer.

The Employer will not allow employees to work prior to their start time without appropriate compensation.

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation. If the employee does not receive his/her vacation check, the Employer will make all reasonable efforts to provide the check the following day including delivery by Saturday or Next Day Air. Other shortages involving more than thirty dollars (\$30.00) for full-time employees, and fifteen dollars (\$15.00) for part-time employees, will be corrected and the payment will be made available to the employee at his/her reporting location on his/her second scheduled workday after reporting the shortage. If the Employer fails to make the payment available on the employee's second scheduled workday and the shortage was the result of the Employer's error, the employee will be paid an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her regular hourly rate.

Errors of less than thirty dollars (\$30.00) for full-time employees or fifteen dollars (\$15.00) for part-time employees and overages will be corrected in the following weekly paycheck.

All green checks will be taxed at the employee's regular withholding tax rate.

ARTICLE 18. SAFETY AND HEALTH EQUIPMENT, ACCIDENTS AND REPORTS

Preamble

The Employer and the Union agree that the safety of the employees and the general public is of utmost importance.

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The Employer and the Union have developed the following Sections and Subsections of this Agreement to respond to that mutual concern for safety. The contract language responds to a variety of areas related to safety, health, ergonomics, climatic conditions as well as federal, state and local laws dedicated to providing a safe and healthy workplace.

To address safety and health issues, the Employer and the Union have developed the following:

- A. A National UPS/IBT Safety and Health Committee;
- B. A National UPS/IBT Safety and Health Grievance Committee to respond to safety, health, ergonomic and climatic issues and concerns; and
- C. A Safety and Health Committee, chaired by the UPS Director of Health and Safety and the IBT Director of Safety and Health, will be formed to address present and future safety and health solutions.

Notwithstanding the employee's right to contact federal, state or local agencies, it is the recommendation of the committee that issues and concerns regarding this Agreement, should first be brought before the National Safety and Health Committee.

Section 1 - Employees' Rights - Equipment, Vehicles and Conditions

The Employer shall not require employees to take out on the streets or highways any vehicle, or use any type of equipment, that is not in a safe operating condition or equipped with the safety appliances prescribed by law. First line trailers will be swept on a daily basis. All package cars and tractors will be maintained in a clean and sanitary condition.

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to a person or property or in violation of a government regulation relating to safety of person or equipment. The term

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"dangerous conditions of work" does not relate to the type of cargo which is to be hauled or handled.

It shall not be a violation of this Agreement, or cause for disciplinary action, where employees refuse to operate equipment or a vehicle when such operation constitutes a violation of any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe conditions as set out in any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health to include Part 392.14 of the Federal Motor Carrier Regulations.

Section 2. Out of Service Equipment and Vehicle Reports

All equipment which is refused, or has been written up for repair, because not mechanically sound or properly equipped, shall be appropriately tagged, and placed out of service, so that it cannot be used by other drivers, or employees until the Automotive/Maintenance Department has adjusted the complaint.

Employees shall immediately, or at the end of their shifts, report all known defects of equipment on a suitable form furnished by the Employer. The Employer shall not ask or require any employee to utilize equipment that has been reported by any other employee as being in an unsafe condition. Such equipment will be red tagged, as necessary, by automotive/maintenance personnel. The tag must not be removed until the Automotive/Maintenance Department has determined that the vehicle/equipment is in a safe operating condition or, where no Automotive/Maintenance Department exists, qualified management will make the deciding determination. Management not qualified to make such a determination, will consult with a qualified automotive/maintenance personnel before removing a red tag. The person making the decision will sign off the car condition report or other form required by law. Any automotive/maintenance person consulted will be noted on this report.

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When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle/equipment being in unsafe working or operating condition and receives no consideration from the Employer, the employee shall take the matter up with an officer of the Union, who will take the matter up with the Employer. But in no event shall an employee be required to operate a vehicle/equipment that is unsafe or in violation of any federal, state or local, rules, regulations, standards or orders applicable to equipment or commercial motor vehicles.

Copies of the car-condition reports or Driver Vehicle Inspection Reports (DVIR) will be available in centers for review by drivers. Upon notification, drivers may make copies of said reports in facilities that have copy equipment. In facilities with no copy equipment, the employee will be provided a copy as soon as practical, when requested. In no case will the copy of the DVIR remain valid after the DOT retention requirement (ninety (90) days) or the original DVIR expires. The current DVIR will be maintained in each vehicle between completion of Preventative Maintenance Inspections (PMI). Other copies will be made available for review by drivers as required by the Federal Motor Carrier Safety Act (FMCSA) 49 CFR 396, as applicable to the Employer.

Section 3. Accidents and Reports

Any employee involved in any accident shall immediately notify the Employer.

When required by the Employer, the employee, before the end of the employee's shift, shall complete a report of the accident including all available names and addresses of witnesses to the accident. The reference number will be given to the employee, and when requested, a copy of the accident report will be furnished to the employee within two (2) working days of such request. A copy of the accident report will also be furnished to the Local Union if requested by a Local Union official. In cases of equipment accidents where a Driver's Report of Accident form is completed, the employee will be given a copy of the form the same day, when requested. In facilities with no copy equipment the employee will be provided a copy as soon as practicable.

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In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action, if any, unless otherwise mutually agreed. Except for serious accidents, where the driver may be presumed to be at fault, a driver will not be removed from the payroll during an investigation of the accident.

A serious accident is defined as one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle.

The driver will be entitled to non-driving work during this period at his/her normal rate of pay.

The Employer and the Union mutually agree that the employee's rights to Union representation will be protected pursuant to Article 4 of the National Master UPS Agreement.

Section 4. Seats

The Employer will provide air-ride seats in all new tractors and when replacing the driver seat in present tractor equipment. Such seats shall be maintained in a proper and reasonable condition.

When replacing the seat cushion in package cars where the seat is attached to a post, the Employer will use the new soft ride cushion agreed in. When replacing the seat back, the Employer agrees to provide the new seat back with the adjustable lumbar support feature. Seat backs will be replaced as needed subject to availability from the manufacturer. In all new P-32 through P-120 vehicles, the Employer agrees to provide multi-adjust seats. Upon ratification of the contract the Employer agrees to initiate a new

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research and development study for the purpose of identifying a multi-adjustable seat with a three-point seat belt for existing package cars. The Employer agrees to notify the Chairs of the National Safety and Health Committee of the number and locations of testing sites and to submit the test results to the Chairs.

Section 5. Sun Visors

Employer approved replacement sun visors will be provided upon request on all equipment.

Section 6. Building Heat

Centers will be heated, where practical.

On a facility-by-facility basis, the Employer will evaluate whether additional ventilation or heat is needed for purposes of safety and health.

Section 6.1 - Indoor Air Pollution

1. Motor vehicles shall be physically connected to a local exhaust ventilation system when the operations in the shop require that the vehicle engine be idled or otherwise operated. Shop areas shall be designated as separate walled-in areas.
2. The Employer will instruct drivers of motor vehicles not to allow vehicles to unreasonably idle while indoors.

Section 7. Trailer Configuration

The Employer will make every effort to have the heaviest loaded trailer as the lead trailer. If the percent of load in one (1) trailer exceeds the other by twenty-five percent (25%) or more, such trailer shall be the lead trailer, except when state or federal regulations require otherwise. However, if the driver feels the percentage exceeds twenty-five percent (25%) in the rear trailer or the unit does not handle properly, he/she may contact management and will be authorized to switch the unit and be paid for such time.

Section 8. Radios

Transistor radios will be allowed in package cars.

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The use of Citizen Band (C.B.) Radios, not to exceed five (5) watts, shall be permitted in all feeder road equipment as follows:

- a. Operators of C.B. Radios must conform to FCC rules and regulations and be properly licensed and license be on record with the Employer.
- b. Head sets and earphones shall not be allowed
- c. The Employer will not be responsible in any way for any damage or loss of C.B. Radio equipment
- d. All power hookups and antenna brackets shall be provided and installed by the Employer.
- e. Antennas shall be so installed that they do not interfere with the operation of the waste rack or restrict the vision of the driver

Section 9. Tires

Only first-line tires will be used on the steering axle of feeder road equipment, including P80's used as feeders. In case of breakdown a temporary replacement other than a first-line tire may be used to return to the home terminal. The Company agrees to not mix radials and bias ply tires on the same unit.

Section 10. Shocks

Where the manufacturer recommends and provides shock absorbers as standard equipment, properly maintained shocks on such equipment shall be considered as a necessary and integral part of that assembly.

Section 11. Mirrors

All vehicles shall be equipped with regular mirrors and a convex mirror.

New feeder road equipment shall be equipped with heated mirrors. Any feeder road equipment not presently equipped shall be equipped with heated mirrors when the mirrors require replacement.

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As soon as practicable, but no later than thirty (30) months after the ratification of this Agreement, the Employer will equip package cars with rear cross-over mirrors or other devices, to further enhance safety during backing.

Upon request, cab-over tractors with a lower window on the right side door will be equipped with a convex mirror on the door.

Section 12. Dollies

All new dollies placed into service shall be counter balanced (max 70 lb. lift weight) with handles on the tongue. All dollies in the system will be counter balanced for 70 lb. lift weight and have handles on the tongue.

Section 13. Exhaust Systems

All new diesel tractors added to the fleet after January 1, 1994, shall be equipped with a vertical exhaust stack. Package car exhaust systems, when replaced, shall exit to the side of the vehicle.

Section 14. Package Cars

All new package cars, P-32 and larger, added to the fleet after January 1, 1994, shall be equipped with package compartment venting. The method of venting will be dictated by technology and will vary according to climatic conditions. The installation of cab compartment fans will be determined by individual districts.

All requests for door handle shields coverings will be complied with in a timely manner.

When requested, package cars larger than a P-32 will have grab handles located on the curb side of the package car and mounted on the inside, and will be equipped with mounting brackets to secure hand carts.

Client shift extensions shall be addressed on a case-by-case basis.

All new package cars placed into service after August 1, 1997, shall be equipped with power steering.

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Section 14.1 Driver Safety and Security

The bulk head door release in package cars must be accessible from the inside as well as the outside in order to enable exit from the package compartment.

Section 15. Heaters and Defrosters

The Employer shall install and maintain heaters and defrosters on all trucks and all safety equipment required by law. Complaints regarding heaters or defrosters not being in proper working order shall be addressed pursuant to the red-tagging procedures under Article 18, Section 2.

Section 16. Noise Abatement

All new package cars and feeders, will be ordered to comply with Federal Motor Carrier Safety Regulations (FMCSR), regarding in cab noise levels.

Section 17. Vehicle Integrity

The Employer agrees to maintain all door and engine compartment seals in order to eliminate, as much as possible, fumes, dust and moisture in the package car.

Section 18. Vehicle and Personal Safety Equipment

All automotive vehicles shall be equipped with a manufacturer certified seat belt restraint system. Jump seats shall be equipped with a safety belt. Three-point shoulder harness safety belts shall be provided on the driver's side of all new vehicles, and on the jump seat for all new P-32 through P-120 vehicles and all new 24-foot vans. It shall be required that the driver's seat belt and the jump seat safety belt be worn at all times when the vehicle is moving.

Feeder tractor door locks, where provided as original equipment, shall be maintained in working order.

Section 19. Qualification on Equipment

If the Employer or a government agency requests a regular

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employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination.

Section 20. National UPS/IBT Safety and Health Committee

Section 20.1 - National UPS/IBT Safety and Health Committee - Safety, Health and Equipment Issues

The Employer and the Union shall maintain a National UPS/IBT Safety and Health Committee. The Committee shall be governed by the terms of this Agreement and by an agreed to set of rules of procedure.

It is the responsibility of the Committee to provide guidance and recommendations on all factual issues, involving safety and health (including ergonomic issues) and equipment, affecting employees covered by the National Master United Parcel Service Agreement. At the discretion of the chairmen, it may also consider any subject pertaining to the safety and health of the employees covered by this Agreement which it deems significant. Such Committee shall convene on a regular basis, with an agenda to be agreed to by the respective chairmen.

As agreed by the chairmen, the Committee may establish such subcommittees as it deems necessary to address matters affecting safety and health.

Section 20.2 - National UPS/IBT Safety and Health Grievance Committee

The Committee shall also serve as the National UPS/IBT Safety and Health Grievance Committee. All interpretations and grievances, of a factual nature, arising under but not limited to

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Articles 18 and 35 of the National Master UPS Agreement shall be heard by the Committee, pursuant to Article 8, of the National Master UPS Agreement, and the rules of the National Grievance Committee.

Decisions of this Committee shall be final and binding on all parties. Cases that are deadlocked by the Committee, unless called to the National Grievance Committee by mutual agreement of the National Chairpersons, may proceed to arbitration.

The Committee shall meet in conjunction with the National Grievance Panel to resolve all cases on its agenda.

Section 20.3 Climatic Conditions Committee

The National UPS/IBT Safety and Health Committee is also responsible for the Climatic Conditions Committee, formulated to review severe climatic conditions that may seriously affect employees in different geographic areas.

The Committee shall have the authority to resolve factual issues before it and its decision will be final and binding. Cases that are deadlocked by the committee shall be referred to the National Grievance Committee.

Section 21 - Hazardous Materials Handling Program

The Employer and the Union in compliance with the Occupational Safety and Health Administration (OSHA) have developed a comprehensive program to deal with hazardous material spills, the UPS Damaged Package Response procedure. As a result of the Agreement, the Employer developed a training program for individuals who are responsible for responding to spills of hazardous materials. The Employer agrees to:

1. Provide twelve (12) hours of training, and the proper equipment, to those employees involved in the clean-up of hazardous material spills. All designated responders, when

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positions become open, will be selected in seniority order. The Employer will allow first responders to resign their position with written notice given at least sixty (60) days prior to their annual certification. The resignation will become effective upon completion of training of a replacement. The Employer may disqualify such employees from holding the position of designated responder for a period of one (1) year.

2. Provide one (1) hour of awareness training to every employee who handles packages potentially containing hazardous materials.

3. Conduct training for new employees during orientations and for current employees during normal working hours, with all employees compensated at the appropriate rate of pay.

4. Provide the necessary medical examination for designated first responders at no cost to the employee.

5. Provide annual refresher training to all employees.

6. Comply with all applicable state and federal OSHA regulations regarding hazardous materials.

7. Identify, process and store all hazardous type waste, resulting from spilled or leaking packages, in accordance with all applicable federal, state and local laws. Processing of hazardous material spills will be initiated and completed as soon as practicable, but in all events prior to the hazard responder being assigned to other non-hazard duties or completing his/her shift. The Employer designated processing area will be properly ventilated.

8. Conduct emergency evacuation drills on an annual basis.

9. The Employer will hold meetings, with the designated responders, on a scheduled basis, and when necessary will hold special meetings, to discuss and resolve problems or concerns related to hazardous material handling, clean-up and storage of hazardous materials. The Employer agrees to resolve any problems or concerns as expeditiously as possible.

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The National UPS/IBT Safety and Health Committee is also responsible for an Occupational Safety and Health Subcommittee to provide training recommendations for handling hazardous materials, toxic and other harmful substances for appropriate bargaining unit employees.

This Committee shall function as part of the National UPS/IBT Safety and Health Committee and shall review UPS hazardous materials training programs and make recommendations for improvements in:

1. Training course content, material and frequency
2. Equipment needed.
3. Other related issues deemed appropriate by the Committee.

Failure of the subcommittee or the National UPS/IBT Safety and Health Committee to reach an agreement will result in the unresolved issue being processed under the National Grievance procedure rules.

Section 22. Incompatible Package Handling

The Employer agrees that all irregular or incompatible packages such as bars, buckets, exposed metal parts, fire rims, etc., shall be given special handling in accordance with UPS handling methods and local conditions.

Section 23. Union Liability

Nothing in the Agreement or its Supplements relating to health, safety or training rules or regulations shall create or be construed to create any liability or responsibility on behalf of the Union for any injury or accident to any employee or any person or does the Union assume any such liability or responsibility.

The Employer will not commence legal action against the Union, on a subrogation theory, contribution theory, or otherwise, as a result of the Union's negotiation of safety standards contained in

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this Agreement or failure to properly investigate or follow-up Employer compliance with those safety standards.

ARTICLE 19. POSTING

The Employer agrees to supply and provide suitable space for the Union bulletin board in each center, hub, or place of work. Postings by the Union on such board are to be confined to official business of the Union and on the Union's official letterhead or TITANS. In each package center there shall be a covered bulletin board. Union Stewards shall have a key for the Union bulletin board. The Employer shall not remove, tamper with or alter any boards. The Employer shall not remove, tamper with or alter any notice posted by the Union unless such notice is harmful to the Employer. Any such notice removed by the Employer shall be re-posted if the Union's position is sustained through the grievance procedure.

ARTICLE 20. EXAMINATION AND IDENTIFICATION FEES

Section 1. Required Examination

Physical, mental or other examinations required by a government body or the Employer shall be promptly complied with by all employees; provided, however, the Employer shall not pay for any time spent in the case of applicants for jobs, but shall be responsible to other employees only for time spent at the place of the examination or examinations where the time spent by the employee exceeds two (2) hours, and in that case only for those hours in excess of said two (2) hours. Examinations are to be taken at the employee's home area and are not to exceed one (1) in any one (1) year, unless the employee has suffered serious injury or illness within the year. Employees will not be required to take examinations during their working hours unless paid by the Employer for all time spent. Employees shall be given reasonable notice of dates of examinations.

Section 2. Return to Work Examination

It is understood by the Employer and the Union that once an

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employee notifies the Employer that he/she has been released to return to work by the employee's doctor, the Company doctor must examine the employee within three (3) working days from the time the employee brings the return-to-work slip to the Employer.

Section 3. Third Doctor Procedure

The Employer reserves the right to select its own medical examiner or doctor and the Union may, if it believes an injustice has been done an employee, have said employee re-examined at the employee's expense. If the two (2) doctors disagree, the Employer and the Union shall mutually agree upon a third (3rd) doctor within ten (10) working days, whose decision shall be final and binding on the Employer, the Union and the employee. Neither the Employer nor the Union will attempt to circumvent the decision of the third (3rd) doctor and the expense of the third (3rd) doctor shall be equally divided between the Employer and the Union.

If the third (3rd) doctor agrees that the employee should be returned to work, the employee shall be reimbursed at his/her daily guarantee, less any other monies received back to the date of the examination by the Company doctor. It shall exclude any time the employee was not available for examination or work.

Section 4 - Disqualified Driver - Alternative Work

Except as provided for in Article 16, a driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or part-time inside employee at such work until he/she can return to his/her driving job unless otherwise provided for in the Supplements, Riders or Addenda. While performing the inside work, the driver will be paid the highest part-time rate as an employee with equivalent seniority or current area practice. If no full-time inside position is available, the Employer will meet with the Local Union to develop a full-time position, if possible out of available work.

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Section 5. Identification

Should the Employer find it necessary to require employees to carry or record full personal identification, such requirements shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

All management personnel shall wear a name tag identifying them as supervision while on duty.

ARTICLE 21. UNION ACTIVITY

Any employee member of the Union acting in any official capacity whatsoever shall not be discriminated against for acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of union membership or activities. Any employee shall have the right to wear a Union pin where there is a practice affording such a right.

ARTICLE 22. PART-TIME EMPLOYEES

Section 1.

No part-time employee shall drive except:

- (a) when no full-time employee or combination full-time employee is on the premises;
- (b) to avoid delay in the work; or,
- (c) as provided for in Article 40 Air Operation.

Section 2.

The number of permanent full-time inside jobs in each Local Union area as of April 30, 1979, shall be guaranteed from replacement by part time employees. In addition, the number of permanent full-time inside jobs created after April 30, 1979, under the provisions of Section 3 will also be guaranteed from replacement by part time employees. The exception to the above

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will be in cases of bona fide agreements prior to the ratification of this Agreement.

Section 3.

The parties agree that providing part-time employees the opportunity to become full-time employees is a priority of this Agreement. Accordingly, the Employer commits that during the life of this Agreement, it will offer part-time employees the opportunity to fill at least twenty thousand (20,000) permanent full-time job openings throughout its operations covered by this Agreement.

This commitment shall include the obligation to create at least ten thousand (10,000) new full-time jobs from existing part-time jobs during the life of this Agreement throughout its operations covered by this Agreement; two thousand (2,000) during each year. The Employer shall, wherever possible, reschedule part-time employees to make additional full-time jobs or combination full-time jobs. No part-time employee shall be laid off or suffer a loss of a job as a result of creating a full-time job under this Article or Article 40.

The Employer's obligation under this Article and Article 40 of this Agreement to create full-time jobs from part-time jobs shall be satisfied by the creation of ten thousand (10,000) full-time jobs during the life of this Agreement notwithstanding any other provisions in this Agreement, any Supplement, Rider or Addendum.

In order to enable the Union to enforce and monitor this provision, the Employer shall provide a quarterly report to the Parcel and Small Package Trade Division Director containing the location of each job created under this Section during the previous quarter and the identity of the jobs combined to create the positions.

Part-time employees shall be selected for full-time openings in accordance with the procedures contained in the applicable Supplement, Rider or Addendum.

If there is a reduction in volume causing layoffs, the Employer's obligations under this section shall be null and void

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Section 4.

Part-time employees shall be given the opportunity to fill full-time jobs before hiring from the outside on a five-for-one basis (five (5) part-time to every one (1) outside hire)

The following will be incorporated into the job selection procedures in the applicable Supplement, Rider or Addendum:

The Employer will fill all vacancies and permanent new jobs for part-time employees from the part-time selection list in all months except November and December

Part-time employees with six (6) months or more seniority shall have the right to place their name on the list of employees waiting to be moved to a preferred job within their building. Such preferred jobs shall include, but not be limited to: Preload, Sorter, Clerical, Irregular Train, Designated Responder, Carwasher, Loader and Unloaders. Employees do not have the right to select any specific unit, load or workstation unless a prior past practice has been established

A maximum of twenty-five percent (25%) of the employees on a shift shall be allowed to change shifts in any one (1) calendar year. The employee obtaining the new position shall remain on that shift for at least six (6) months.

Section 5. Wages

(a) Part-Time Employees

All part-time employees who have attained seniority as of August 1, 1997 will receive the following general wage increases:

| | | |
|----------------|------------------------|----------|
| August 1, 1997 | sixty cents per hour | (\$.60) |
| August 1, 1998 | sixty cents per hour | (\$.60) |
| August 1, 1999 | sixty cents per hour | (\$.60) |
| August 1, 2000 | sixty cents per hour | (\$.60) |
| August 1, 2001 | seventy cents per hour | (\$.70) |

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In addition to the general wage increases above, part-time employees who have attained seniority as of August 1, 1997 and were not red-circled in or before 1982 shall receive the following increases:

| | | |
|----------------|----------------------------|----------|
| August 1, 1997 | fifteen cents per hour | (\$0.15) |
| August 1, 1998 | fifteen cents per hour | (\$0.15) |
| August 1, 1999 | twenty cents per hour | (\$0.20) |
| August 1, 2000 | twenty-five cents per hour | (\$0.25) |
| August 1, 2001 | twenty-five cents per hour | (\$0.25) |

Part-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases and, will be paid no less than what they are entitled to in accordance with the wage schedules in Article 22, Section 5 (b) below.

(b) Newly Hired Part-Time Employees

All part-time employees who are hired or reach seniority after August 1, 1997, will be paid according to the following wage schedules:

| | Hourly Rate |
|--------------------------------|-----------------|
| | Preloader |
| Start | Sorter |
| | All Others |
| | \$ 9.50 \$ 8.50 |
| Seniority plus one (1) year | \$10.00 \$ 9.00 |
| Seniority plus two (2) years | \$10.50 \$ 9.50 |
| Seniority plus three (3) years | \$11.00 \$10.00 |
| Seniority plus four (4) years | \$11.75 \$10.75 |

Employees working high volume direct or low volume direct shall receive the preloader/sorter rates.

(c) The wage rates and increases provided in (a) and (b) shall be a minimum.

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(d) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3-1/2) hour guarantee.

Section 6 - Part-time Employee Transfer

Part-time employees who wish to transfer to another location for educational purposes may submit a written request to the Employer. If approved, the transfer shall be allowed subject to the following conditions:

- A. A part-time opening exists at the desired location.
- B. Employees must have attained seniority and been employed by the Employer for at least one (1) year.
- C. Job Classification Seniority shall be end-tailed.
- D. Company seniority shall be retained for the purpose of number of weeks of vacation, and number of holidays in accordance with the applicable Supplement at the new location.
- E. Any expenses, including moving expenses associated with an approved transfer, shall be the responsibility of the employee.

ARTICLE 23. SEPARATION OF EMPLOYMENT

Upon discharge, the Employer shall pay all money due to the employee during the first (15) payroll department working day. Upon quitting, the Employer shall pay all money due to the employee on the payday in the week following such quitting.

ARTICLE 24. INSPECTION PRIVILEGES

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that this Agreement is being adhered to, provided, however, that there is no interruption of the Employer's working schedule

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ARTICLE 25. SEPARABILITY AND SAVINGS

If any article or section of this Agreement or Supplements, Riders or Addenda, hereto, be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and Supplements, Riders or Addenda, hereto, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations after receipt of written notice of the desired amendments by either the Employer or the Union for the purpose of arriving at a mutually satisfactory replacement of such article or section during the period of invalidity or restraint. There shall be no limitations of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, either party shall be permitted all legal and economic recourse in support of its demands notwithstanding any provisions of this Agreement to the contrary.

ARTICLE 26. COMPETITION

The Union recognizes that the Employer is in direct competition with the United States Postal Service and other firms engaging in the distribution of express letter, parcel express, parcel delivery, and freight, both air and surface. In order to meet that competition and thereby protect and, if possible, increase the number of bargaining unit jobs, it is agreed that any provisions in this Agreement to the contrary notwithstanding, the Employer:

- (a) may use substitute means of transportation (such as airplane, helicopter, ship or T.O.F.C.) in its operations; provided, however, that no feeder driver in the employ of the Employer, as of August

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I, 1997, will be laid off or displaced from a feeder classification as a result of a run being placed on the rail. However, the Employer shall not be required to remove loads from the rail to provide work for employees whose ground loads were eliminated or temporarily discontinued. Any claimed abuse of this Section by any of the Local Unions shall be subject to immediate review by the National Grievance Committee.

Merchandise that has been tendered by United Parcel Service to the railroad and moved by T O F C will not subsequently be moved by the railroad, on the ground, to its final destination. Any exception to the above language will be in cases of an emergency or cases where the railroad must ground the merchandise early to meet the company's service commitment. In these cases, every effort will be made to use UPS employees.

Bargaining unit employees will move scheduled T O F C loads from the railyards to UPS locations except during peak season.

During peak season, the Employer will make every reasonable effort to use current UPS employees and hire a sufficient number of employees to handle peak volume. After doing so, the Employer may use alternate means of transporting packages during peak season and will utilize union carriers whenever possible. Plans to utilize outside carriers will be reviewed and agreed with the Local Union. Such agreement will not be unreasonably withheld.

(b) may drop loaded or empty trailers at locations designated by it, its customers or consignees for customer or consignee loading or unloading. It is understood that customers and consignees will not move trailers for loading and/or unloading other than on their premises. It is further understood that dropping and picking up these trailers shall be done by members of the bargaining unit.

(c) All loading and unloading of dropped shipments at UPS locations will be done by UPS employees.

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ARTICLE 27. EMERGENCY REOPENING

In the event of war, declaration of emergency, imposition of mandatory economic controls, the adoption of a National Health Program or any Congressional or Federal Agency action which has a significantly adverse effect on the financial structure of the Employer, during the life of this Agreement, either party may reopen the same upon sixty (60) days' written notice and request renegotiation of the provisions of this Agreement directly affected by such action. There shall be no limitation of time for such written notice. Upon the failure of the parties to agree in such negotiations, within sixty (60) days thereafter, either party shall be permitted all lawful economic recourse to support its request for revisions. If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

ARTICLE 28. SYMPATHETIC ACTION

In the event of a labor dispute between the Employer, party to this Agreement, and any International Brotherhood of Teamsters' Union, parties to this or any other International Brotherhood of Teamsters' Agreement, during the course of which dispute such Union engages in lawful economic activities which are not in violation of this or such other agreement, then any other affiliate of the International Brotherhood of Teamsters, having an agreement with such Employer, shall have the right only if sanctioned pursuant to the procedures of the International Constitution, and only after receiving such sanctions, to engage in lawful economic activity against such Employer in support of the above first mentioned Union notwithstanding anything to the contrary in this Agreement or the International Brotherhood of Teamsters' Agreement between such Employer and such other affiliate.

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ARTICLE 29.

Section 1. Jury Duty

When a seniority employee is called for jury duty service, he/she shall be excused from his/her regular duties on the days he/she is required to appear in court or comply with jury rules that prevent him/her from reporting for work. For any regularly scheduled workday in which time off for such jury service is granted, the full-time employee shall be paid his/her guarantee and part-time employees shall receive four (4) hours' pay at his/her straight-time hourly rate, less any amount received as a jury duty fee (if such fees are defined as wages under applicable laws). The employee shall be required, however, to turn over to the Employer adequate proof of his/her jury duty service and compensation, if any, in order to receive the compensation above provided.

Employees who are scheduled to work a day shift shall not be required to report for work on any day he/she is required to report for jury duty unless released from jury duty not less than six (6) hours prior to the end of his/her regularly scheduled shift, in which event he/she will be allowed two (2) hours from the time he/she is released from jury duty to report and work the remainder of his/her regularly scheduled shift.

Employees scheduled to work any shift other than the day shift shall not be required to report to work on any day he/she is required to report for jury duty unless he/she has been released from jury duty not less than four (4) hours prior to the start time of his/her regular shift and provided further he/she would complete such shift not less than ten (10) hours prior to the time he/she is required to report for jury duty the next following day. Notwithstanding the above, no employee, working other than a day shift, will be required to report to work on a night if he or she has served jury duty that day and that service prevents him or her from reporting for work.

In the event an employee returns to work after being released from jury duty and works beyond his/her regularly scheduled work day

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such hours worked shall be compensated for at the applicable overtime rate of pay.

An employee who is required to report for jury duty during a week of previously scheduled vacation may select another available week of vacation.

Time spent on jury duty service will be considered time worked for purposes of Employee contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements, Riders and Addenda.

The language contained in this Article will supersede any provision in any Supplement, Rider or Addendum.

Section 2. Funeral Leave

In the event of a death of a member of the employee's family, a seniority employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite.

Members of the employee's family means spouse, child, or step-child, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law and step-parents.

A regular full-time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law or a brother-in-law. Reimbursement for this day shall be the same as provided below.

Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided above. In no event will total compensated time off exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight-time hourly rate for each day lost from work for those employees whose regular scheduled

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workweek is five (5) days, and ten (10) times the straight-time hourly rate for those employees whose regular scheduled workweek is four (4) days. Part-time employees will receive the same benefits as above, paid at four (4) times the employee's hourly rate.

Better conditions contained in Supplements, Riders or Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

Section 3. Tax Deferred Savings Plan 401(k)

The Employer and the Union agree to continue the Teamster UPS National 401(k) Tax Deferred Savings Plan. The Employer shall pay the record-keeping expense for the Plan.

It is further agreed, by the Union and the Employer, that the Employer shall withhold from an employee's earnings, amounts mutually agreed between the Employer and the employee, and deposit such monies into a 401(k) account in the employee's name in compliance with the Internal Revenue Code and E.R.I.S.A.

This Plan will be jointly administered by the Union and the Employer.

ARTICLE 30. JURISDICTIONAL DISPUTES

In the event that any dispute should arise between any Local Union party to this Agreement or between any Local Union party to this Agreement and any other Union, relating to jurisdiction over employees or operations covered by this Agreement, the Employer agrees to accept and comply with the decision or settlement of the Union or Union tribunals which have the authority to determine such dispute. The parties do not intend by this paragraph to take away the Employer's right to designate the home domicile of his employees; provided, however, that any employees adversely affected shall have recourse to the grievance procedure. The Employer further agrees that prior to the change of the domicile of any of its employees, it shall so notify the Unions directly involved.

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ARTICLE 31. GARNISHMENTS

In the event of notice to the Employer that a court order has been issued requiring the Employer to withhold a percentage of an employee's wages to satisfy a garnishment, the Employer may take disciplinary action if the employee fails to satisfy such garnishment or wage assignment within a seventy-two (72) hour period after notice to the employee that the Employer is considering disciplinary action. However, the Employer may not discharge any employee by reason of the fact that his/her earnings have been subjected to garnishment or wage assignment for any one (1) indebtedness. An employee may be suspended by reason of the fact that his/her earnings have been subjected to garnishment or wage assignment for any one (1) indebtedness, but any such suspension must be for a fixed, stated period of time.

If the Employer is notified of three (3) garnishments or wage assignments for more than one (1) debt, irrespective of whether satisfied by the employee within a seventy-two (72) hour period, the employee may be subjected to discipline. However, the employee may not be discharged upon notice of a third (3rd) garnishment, under this provision, unless and until the Employer has actually begun withholding the employee's wages on a second (2nd) debt. If the Employer has an established practice of discipline or discharge with a fewer number of garnishments or wage assignments, or impending garnishments or wage assignments, and if the employee fails to adjust the matter within the seventy-two (72) hour period, such past practice shall be applicable, provided it does not result in the discharge of an employee prior to the actual withholding of the employee's wages for a second (2nd) debt.

A garnishment for child support or alimony shall not be considered a debt for purposes of discipline.

The Employer shall comply with federal, state and local law in enforcing the provisions of this Article. Discipline or discharge pursuant to this Article shall be reasonable and nondiscriminatory.

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ARTICLE 32. SUBCONTRACTING

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part in any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime. The Employer may not subcontract work in any classification if any employee who normally performs such work is on layoff.

The number of car washer and porter jobs in the bargaining unit as of July 31, 1990 shall be guaranteed from replacement by the Employer subcontracting this work. It is further agreed that additions to the workforce in areas that currently have bargaining unit employees performing this work shall become bargaining unit members covered under this Agreement.

ARTICLE 33. COST-OF-LIVING (COLA)

All seniority employees who have completed their appropriate progression schedule shall be covered by the provisions of a cost-of-living allowance as set forth in this Agreement.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series Using 1982-84 Expenditure Patterns), All Items (1982-84=100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Index".

The Central Conference package driver wage and benefit contribution rates shall be summed and referred to as the "Compensation Rate". The annual percentage increase in the Compensation Rate, resulting from negotiated wage and benefit increases, shall be referred to as the "Compensation Rate Percentage".

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Cost-of-living allowances shall be effective on April 1, 2001, and April 1, 2002.

The April 1, 2001 adjustment shall be calculated by the difference between the January, 2000 Index and the January, 2001 Index.

The April 1, 2002 adjustment shall be calculated by the difference between the January, 2001 Index and the January, 2002 Index.

The cost-of-living allowances shall be calculated as follows:

For every 3.4 increase in the Index, over and above the prior year's Index increased by the Compensation Rate Percentage, there shall be a lump sum payment, in the month of April, of one hundred dollars (\$100) for covered full-time employees and fifty dollars (\$50) for covered part-time employees.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

(a) Health & welfare and/or pension contributions shall be increased by twelve dollars (\$12.00) per week on August 1, 1997; and fourteen dollars (\$14.00) per week on August 1, 1998; and fourteen dollars

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(\$14.00) per week on August 1, 1999; and sixteen dollars (\$16.00) per week on August 1, 2001; and sixteen dollars (\$16.00) per week on August 1, 2001. Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committee, subject to the approval of the Joint National Negotiating Committee. In those Supplements, Riders or Addenda, where some of the employees are covered by a Teamster Health and Welfare Plan and some of the employees are covered by the Company Health and Welfare Plan, the amount of money allocated to the Company Health and Welfare Plan shall be the same as the amount allocated to the Teamster Health and Welfare Plan in the Supplement, Rider or Addendum. The applicable Supplement, Rider or Addendum will reflect the appropriate agreed-to increases to the Teamster Pension Plans in those Supplements, Riders or Addenda where all the employees are in the Company Health and Welfare Plan and/or covered by Section (f) of this Article. These increases shall be allocated as follows: five cents (\$0.05) per hour to Health and Welfare in the first year of the contract, fifteen cents (\$0.15) per hour to Health & Welfare in the second, third and fourth years of the contract, and twenty cents (\$0.20) per hour to Health & Welfare in the fifth year of the contract. The remainder of the contribution increase each year will be paid into pension.

It is the intent of the Employer and the Union that health & welfare and pension monies will be allocated in a manner to keep wage increases uniform. The increases accrued under this Article on August 1st of each year can only be allocated to health & welfare and/or pension. Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all UBT Health and Welfare Funds

and all UBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider and Addendum.

(e) All contractual provisions relating to health & welfare and pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda.

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters Supplemental Agreement and in the Northern California Supplemental Agreement shall continue in full force and effect during the life of this Agreement.

(g) The Employer shall not be required to contribute to any jointly-trusted health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 1997 an amount greater than the amount it contributed on July 31, 1997 plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that national health care legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(1) UPS Part-Time Pension Plan

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster pension plans.

For example, the total monthly benefit will be equal to the following provided the employee meets the Credited Service requirement:

\$1,750 for retirement at any age after 35 years of part-time Credited Service

\$1,500 for retirement at any age after 30 years of part-time Credited Service

\$1,250 for retirement at age 60 with 25 years of part-time Credited Service

\$1,000 for retirement at any age with 25 years of part-time Credited Service

The monthly benefit formula under the UPS Pension Plan will be: 500 times part time Credited Service years, subject to a maximum 35 years service limit.

(2) Part-time employees will receive one (1) year of Credited Service for 750 or more paid hours. (Six (6) months of part-time Credited Service will be granted for 375 to 500 hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for 501 to 749 hours worked in a calendar year.)

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

(4) The UPS Pension Plan will be governed by the terms of the Plan document.

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(5) The improved benefits will become effective as of August 1, 1999.

ARTICLE 35. EMPLOYEE'S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 1. Employee's Bail and/or Court Appearance

When an employee is required to appear in any court for the purpose of testifying because of any accident the employee may have been involved in during working hours, such employee shall be reimbursed in full by the Employer for all earnings opportunity lost because of such appearance. The Employer shall furnish employees who are involved in accidents during working hours with bail bond and legal counsel and shall pay in full for same. Employees shall be compensated for time spent in jail at his/her regular rate of pay. Said bail bond and legal counsel shall remain assigned to the employee until all legal action in connection with said accident is concluded, provided the employee is not charged and convicted of criminal negligence. This Section shall not apply to employees who are found guilty of drunken driving when involved in an accident during working hours. The Employer shall assume all responsibility for all court costs, legal fees, and bail bond fees for any employee who is involved in any accident or accidents during working hours and shall assume all responsibility for all judgments and awards against any employee who is involved in accidents during working hours, which result through court action against said employee, except as provided above. In case an employee shall be subpoenaed as a witness in a company-related case, or as a result of his/her on duty observations of an accident not involving a UPS vehicle, he/she shall be reimbursed for all time lost and expenses incurred.

Section 2. Suspension or Revocation of License

In the event an employee shall suffer a suspension or revocation of the right to drive the Employer's equipment for any reason, the

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employee must notify the Employer before their next report to work. Failure to comply will subject the employee to disciplinary action up to and including discharge in accordance with the procedures set forth in the appropriate Supplement, Rider and Addendum. (See also Article 16, Leave of Absence, Section 3.1.)

If such suspension or revocation comes as a result of the employee complying with the Employer's instruction, which results in a succession of size and weight penalties or because the employee complies with the Employer's instructions to drive Employer's equipment which is in violation of the Department of Transportation regulations relating to equipment or because the Employer's equipment did not have either a speedometer or a tachometer in proper working order and if the employee has notified the Employer of the citation for such violation as above mentioned, the Employer shall provide employment to such employee at not less than the employee's regular earnings at the time of such suspension for the entire time period.

Section 3. Controlled Substance Testing

The parties have agreed that the procedures as set forth in Article 35, Section 3 shall be the methodology for all testing and will be modified only in the event that further federal legislation or Department of Transportation regulations require revised testing methodologies or requirements during the term of this Agreement.

Should other categories, modifications or types of testing be required by the government, the parties will meet as expeditiously as possible to develop a mutually agreeable procedure.

The provisions of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive drug test. Employees may use the United Parcel Service Employee Assistance Program, a Union sponsored program, as well as any other referral service in choosing an approved program for treatment.

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Section 3.1 Employees Who Must Be Tested

UPS employees subject to Department of Transportation mandated drug testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a commercial driver license (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

In addition to testing mandated employees, controlled substance testing will be part of prequalification conditions for feeder driver employment, and those persons transferring to a feeder driver position. Individuals who are on a "bid list" for tractor-trailer employment or other similar classification type jobs are subject to being tested for controlled substances before being accepted into such a position.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing as provided herein.

Section 3.2 Testing

Because of the consequences that a positive test result has on an employee, UPS will employ a very accurate, two-stage testing program. Urine samples will be analyzed by a highly qualified independent laboratory which is certified by the Substance Abuse and Mental Health Services Administration (SAMHSA). All samples will be tested according to DOT drug testing requirements.

Section 3.3 Screening Test

The initial test uses an immunoassay to determine levels of drugs or drug metabolites. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for these five (5) drugs or drug classes.

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Section 3.5 Laboratory Testing
 All laboratories selected by UPS for analyzing Controlled Substances Testing specimens will be SAMHSA certified.

Section 3.6 Types of Testing Required
 Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under DOT mandated random testing and as follow-up testing for post drug rehabilitation as outlined under Article 16, Section 5.

Section 3.7. Pre-Qualification Testing
 Controlled substance testing will be part of UPS's regulated pre-qualification conditions for feeder driver positions.

Drivers will be advised in writing prior to the application process that pre-qualification testing will be conducted to determine the presence of controlled substances. Applicants will be required to acknowledge in writing an understanding of this request before they receive an application.

Section 3.8. Reasonable Cause Testing
 Upon reasonable cause, UPS will require an employee to be tested for the use of controlled substances

Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicate the need for a fitness-for duty medical evaluation.

The employee's conduct must be witnessed by at least two (2) supervisors, if available. The witnesses must have received training in observing a person's behavior to determine if a medical evaluation is required. When the supervisor(s) confronts an employee, a Union representative should be made available pursuant to Article 4 of the National Master UPS Agreement as interpreted. If no steward is present, the employee may select another hourly paid employee to represent him.

| Substance | Initial Test Level (ng/ml) |
|-----------------------|----------------------------|
| Marijuana Metabolites | 50 |
| Cocaine Metabolites | 300 |
| Opiate Metabolites | 300 |
| Phencyclidine | 25 |
| Amphetamines | 1,000 |

• 25 ng/ml is immunoassay specific for free morphine
 These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant

Section 3.4 Confirmatory Test

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the cutoff values listed. The following cutoff levels shall be used to confirm the presence of drugs or drug metabolites

| Substance | Confirmatory Test Level (ng/ml) |
|--------------------------|---------------------------------|
| Marijuana Metabolite (1) | 15 |
| Cocaine Metabolite (2) | 150 |
| Opiates: | |
| Morphine | 300 |
| Codaine | 300 |
| Phencyclidine | 25 |
| Amphetamines: | |
| Amphetamine | 500 |
| Methamphetamine | 500 |

(1) Delta-9-tetrahydrocannabinol-9-carboxylic acid
 (2) Benzylcgonine
 In the event the initial urine test indicates a positive response the confirmatory test must be done. These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant

Documentation of the employee's conduct shall be prepared and signed by the witnesses within twenty-four (24) hours of the observed behavior, or before the test results are released, whichever is earlier. In addition, a copy will be sent to the Local Union in a timely manner.

Note: (Reasonable Cause)

At the time the urine specimen is collected, the employee may opt to also give a blood sample. If the employee takes this option, the blood sample must confirm positive presence for the substance confirmed in the urine test. If no positive is confirmed in the blood specimen, the employee will be given a warning letter and offered an opportunity for rehabilitation as set forth in this Article. However, if there is a second occasion where reasonable cause testing results in a positive urine test, the employee will then be subject to discharge.

Non-DOT - Reasonable Cause:

In the event an employee (not covered by DOT) is tested pursuant to the discipline Article in the Supplemental Rider or Addenda to the National Master UPS Agreement, such test will be performed under the same procedures as outlined in this Article. In the event the test result is positive, as set forth above, it shall be considered a dischargeable offense.

Section 3.9 Post-Accident Drug Testing

DOT mandated drivers will be required to submit to a drug test after a DOT defined serious accident, which is one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one (1) or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to

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be transported away from the scene by a tow truck or other vehicle.

Non-DOT mandated drivers may be required to submit to drug testing if there is any reasonable suspicion of drug usage or reasonable cause to believe that a driver has been operating a vehicle while under the influence of drugs, or reasonable cause to believe the driver was at fault in the accident and drug usage may have been a factor.

Drivers are required to submit to such testing as soon as possible, but in all events within thirty-two (32) hours. Union representation will be made available pursuant to Article 4 of the National Master UPS Agreement, as interpreted.

It is not the intention of this language to prohibit the driver from leaving the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to receive necessary medical attention.

The result of a urine test for the use of controlled substances, conducted by federal, state, or local officials having independent authority for the test, shall be considered to meet the requirements of post-accident testing, provided such tests conform to applicable federal, state or local requirements, and that the results of the tests are obtained by the Employer.

Random Testing

Random Employee Selection:

The procedure used to randomly select employees for drug testing, in compliance with the U.S. Department of Transportation Regulations, will be a computer program specifically intended for such an application.

The program will utilize an internal computer clock procedure to randomly generate lists of employees mandated for testing by the Department of Transportation/Federal Highway Administration. The computer shall randomly select the required number of

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employees from the total pool of affected employees. The total pool list shall be by each region

For verification purposes and to cover absences the computer shall print the following lists for each testing period:

1. An alphabetical total pool list of employees in the region
2. A district list of employees shall be printed from the random list in the order in which they are computer selected
3. An alternate list by district, which is a continuation of the district's random list.

The lists or true copies of the lists shall be maintained by a third party administrator. Upon request to the District Labor Relations Manager, the lists will be made available for review by Local Union representatives and company labor relations managers to verify the proper application and use of the lists in the random testing system.

The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure insuring that all affected employees are treated fairly and equally.

The parties further agree not to amend or change the current method of random selection as described herein without prior agreement between the parties.

Section 3.11 Notification

UPS employees, subject to Department of Transportation mandated random drug testing, will be notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification.

Section 3.12 Rehabilitation and Testing After Return To Duty

A positive test specimen as a result of a DOT pre qualification or

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random test will result in a rehabilitation opportunity. An employee whose test results are reported to the Medical Review Officer by the SAMHSA certified laboratory and who has been contacted by the Medical Review Officer or his/her designee has five (5) calendar days to meet with the Medical Review Officer to review the test results. If the review time schedule is not met, then the Medical Review Officer will report to UPS Management that the covered employee is not medically qualified to drive. If the Medical Review Officer determines a specimen is positive, then the employee will have five (5) calendar days to evaluate his/her situation with an approved EAP counselor and then up to fifteen (15) calendar days to enter the rehabilitation treatment center after approval of a leave of absence as outlined in Article 16, Section 5 of the National Master UPS Agreement. UPS will follow the final recommendations of the Medical Review Officer, who has consulted with the rehabilitation treatment professional as in the appropriate after-care protocol and post rehabilitation unannounced drug testing.

It is understood that if the grievance procedure is utilized contractual time limits on disciplinary action and the employee's request for rehabilitation will be suspended until resolution of the grievance.

Section 3.13 Disciplinary Action

Employees may be subject to discipline up to and including discharge as provided below if they test positive for drugs specified elsewhere in this Article.

1 Reasonable Cause Testing

- a. A positive test is a dischargeable offense.
 - b. Refusal to submit to a reasonable cause drug test is a dischargeable offense.
- #### 2. Post-Accident Testing
- a. A positive test is a dischargeable offense.

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b. Refusal to submit to a post-accident drug test is a dischargeable offense.

3. Random Testing

a. 1st offense - A positive test shall result in a warning letter (subject to successful completion of rehabilitation).

b. 2nd offense - A positive test is a dischargeable offense.

c. Refusal to submit to a random drug test is a dischargeable offense.

4. Pre-qualification

a. 1st offense - A positive test shall result in disqualification/not considered for feeder list until the next feeder driver school is conducted (subject to successful completion of rehabilitation)

b. 2nd offense - A positive test is a dischargeable offense.

5. Other Dischargeable Offenses.

a. Failure to successfully complete rehabilitation.

b. A positive specimen as part of after-care drug testing

c. Failure to comply with after-care treatment plan.

Section 3.14 Preparation for Testing

Pursuant to Department of Transportation regulations, the Employer reserves the right to utilize on site or off site collection facilities.

Upon arrival at the collection site, an employee must provide the collection agent with:

• Photo identification.

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• An unsigned authorization form for urinalysis drug screening

If the employee arrives without the above-listed items, the collection agent should contact the district Safety and Health manager or district Human Resources manager.

The employee signs the consent form and the collection agent signs as a witness.

A standard DOT approved urine custody and control form will be supplied by the appropriate laboratory. This form must be used by all collection facilities.

Section 3.15 Specimen Collection Procedures

The Employer agrees to continue use of the Specimen Collection Checklist. The checklist, approved by the National UPS/IBT Safety and Health Committee, is to be used with the affected employees at the collection site by the person performing the collection services for the Employer.

The checklist is to be used at all locations, but it is understood that failure to use or the refusal to use the checklist does not invalidate a properly conducted controlled substance testing procedure. Non does it prohibit an employee's recourse to the collective bargaining agreement and/or the grievance procedure.

All procedures for urine collection will follow Department of Transportation guidelines to ensure an individual's privacy. An employee who gives reason to believe that he or she may have adulterated or substituted a sample will be required to provide a specimen under direct observation by a same gender collection agent.

No unauthorized personnel will be allowed in any area of the collection site. Only one (1) controlled substances testing collection procedure will be conducted at a time and the specimens can only be handled by the collection site person.

The employee being tested should remove any outer garments, such as coats, jackets, hats or scarves, and should leave any

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personal belongings (purse or briefcase) with the collection agent. If the employee requests it, the collection agent shall provide the employee a receipt for his or her belongings. The employee may retain his or her wallet.

After washing his/her hands, the employee shall remain in the presence of the collection agent and shall not have access to any water fountain, faucet, soap dispenser, cleaning agent or other materials which could be used to adulterate the specimen.

The collection agent provides the employee with a new, sealed kit selected by the employee.

The employee will provide his or her specimen in a stall or otherwise partitioned area that allows for privacy. The Employer agrees to recognize all employee's rights to privacy while being subjected to the collection process at all times and at all collection sites. Further, the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to insure that the entire process does nothing to demean, embarrass or offend the employees unnecessarily. Authorization for collection under the direct observation of a collection agent (of the same gender) will only be made under specific circumstances. All procedures shall be conducted in a professional, discreet and objective manner. Direct observation will be necessary in cases where there is reason to believe that an employee has adulterated the initial specimen.

The employee shall be instructed to provide at least forty-five (45) milliliters of urine in the first container. The employee shall hand the specimen to the collection agent. The specimen shall remain in the sight of both the collection agent and the employee at all times. A minimum of fifteen (15) milliliters of urine shall be placed in the second container by the collection agent. The collection agent then shall determine that the first container contains at least thirty (30) milliliters of urine. If the individual is unable to provide forty-five (45) milliliters of urine, the collection agent shall direct the individual to drink fluids, not to exceed forty (40) ounces. Then after a reasonable time not to exceed three (3)

hours, the employee shall again attempt to provide a complete sample using a new specimen container. (The original specimen, if any, should be discarded). If the individual is still unable to provide forty-five (45) milliliters of urine, he/she will be taken out of service and a medical evaluation will be conducted by a licensed physician approved by the Employer to determine if there is a medical reason for the inability to provide a specimen. If it is not determined that there is a medical reason, the individual will be treated as having refused to take the test. If the employee fails for any reason to provide forty-five (45) milliliters of urine, the collection agent should contact a third party administrator (TPA) and either the District Safety and Health Manager or another Employer designee.

The regulations specify the privacy procedures and the reasons to believe that a specimen has been adulterated which include conduct clearly and unequivocally indicating an attempt to substitute or adulterate the sample, e.g., abnormal urine color or urine temperature outside the acceptable range. All specimens suspected of being adulterated shall be packaged and forwarded to the laboratory for testing.

In the event of suspected specimen adulteration, a second specimen will be immediately collected if possible, and the entire procedure should be repeated including initiation of a new chain-of-custody form and separate packaging for shipping.

The collection agent shall document any unusual behavior or appearance on the urine custody-and-control form.

Specimen handling (from one (1) authorized individual or place to another) will always be conducted using chain-of-custody procedures. Every effort must be made to minimize the number of people handling specimens. Both specimen containers shall be sealed and then forwarded to an approved laboratory for testing.

When the test is being conducted as part of a rehabilitation program, the collection process may be observed. If observed, the observer shall be the same gender as the employee being tested.

When a test kit is received by a laboratory, the thirty (30) milliliter sealed urine specimen container shall be removed immediately for testing. The shipping container with the remaining sealed container shall be immediately placed in secure refrigerated storage.

If an employee is told that the first sample tested positive, the employee may, within seventy-two (72) hours of receipt of actual notice, request that the second urine specimen be forwarded by the first laboratory to another independent and unrelated SAMHSA approved laboratory of the parties' choice. For GCM/MS confirmatory testing of the presence of the drug. If an employee chooses to have the second sample analyzed, he/she shall at that time execute a special checkoff authorization form to insure payment by the employee. If the second test is positive, and the employee wishes to use the rehabilitation option, the employee shall reimburse the Employer for the costs of the second confirmation test and handling and shipping charges before entering the rehabilitation program. For those employees who choose to have the second specimen tested, disciplinary action can only take place after the first laboratory reports a positive finding and the second laboratory confirms the presence of the drug. However, the employee may be taken out of service once the first laboratory reports a positive finding while the second test is being performed. If the second laboratory report is negative, the employee will not be charged for the cost of the second test and will be reimbursed for all lost time. It is also understood that if an employee opts for the second specimen to be tested, contractual time limits on disciplinary action in the Supplements are waived.

Section 3.16 Specimen Shipping Preparations

After measuring temperature and visibly inspecting the urine specimen, the collection agent should tighten and seal the specimen shipping container.

The collection agent places a security label (initialed and dated by the employee) over the bottle cap, overlapping the bottle sides.

A double-pouch bag will be used for shipping, with one (1) side for the urine specimen and the other for paperwork.

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The collection agent places the urine specimen in the sealable pocket of the specimen bag and then seals the bag.

The collection agent places laboratory copies of the urine custody and control form in the back sleeve of the double-pouch bag.

The collection agent places the sealed specimen bag in the shipping box and seals the box with the tape provided.

The employee receives a copy of the urine custody and control form.

Section 3.17 District Medical Review Officer

Each Medical Review Officer (MRO) must be a licensed doctor of medicine or osteopathy with knowledge of substance abuse disorders.

The MRO is responsible for performing the following functions:

1. Reviewing the results of UPS's drug testing program
2. Receiving all positive and negative drug test reports as prescribed under the DOT regulations, and making all reports of drug test results to the Employer.
3. Within a reasonable time, notifying an employee of a confirmed positive test result.
4. Reviewing and interpreting each confirmed positive test result in order to determine if there is an alternative medical explanation for the specimen's testing positive. The MRO shall perform the following functions as part of the review of a confirmed positive test result.
5. Provide an opportunity for the employee to discuss a positive test result.
6. Review the employee's medical history and relevant biomedical factors. A driver is allowed to use a controlled substance (except

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for methadone) only when taken as prescribed by a licensed medical practitioner who is familiar with the driver's medical history and assigned duties

7. Review all medical records made available by the employee to determine if a confirmed positive test resulted from legally prescribed medication or other possible explanation

8. Verify that the laboratory report and assessment are correct. The MRO shall be authorized to request that the original specimen be reanalyzed to determine the accuracy of the reported test result.

9. Processing an employee's request to test the split sample. Such testing will be conducted at the employee's expense. The employee shall be reimbursed by UPS for any such expense should the retest provide a negative result. If a reanalysis is negative, then the MRO will declare the test canceled.

10. Review and determine with the after-care treatment professionals whether and when a return to work agreement can be made for an employee. The MRO shall also review any rehabilitation program in which the employee participated.

11. Reviewing with after-care treatment professionals the schedule of unannounced testing for an employee who has returned to duty after failing a drug test conducted in accordance with the return to work agreement, or after refusing to submit to a drug test required by the return-to-work agreement

Section 3.18 MRO Determination

If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result, the MRO shall report the test to the Employer as a negative. If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result, the MRO shall report the positive test result to the appropriate member of management in accordance with DOT regulations.

Based on a review of laboratory reports, quality assurance and quality control data and other drug test results, the MRO may conclude that a particular confirmed positive drug test result is scientifically insufficient for further action. Under these circumstances, the MRO shall conclude that the test is negative for the presence of drugs or drug metabolites in an employee's system.

When there is a question as to the validity or accuracy of a positive test result, only the MRO is authorized to order a reanalysis of the original sample. Not later than seventy-two (72) hours after notification of a confirmed positive test result, an employee may submit a written request to the MRO for testing of the split sample. The laboratory used must be certified by the SAMHSA and must follow usual chain-of-custody procedures.

The employee shall be reimbursed for any pay lost if taken out of service based upon a positive test result which is negated by the second test or as the result of the resolution of the grievance.

In order to make a recommendation to return an employee to duty after the employee has tested positive for the presence of controlled substances or has refused to submit to a drug test, the MRO shall:

A. Ensure that the individual or employees is "drug free," based on a drug test that shows no positive evidence of the presence of a drug or a drug metabolite in the person's system.

B. Ensure that the employee has been evaluated by a rehabilitation program counselor for drug use or abuse.

C. Ensure and confirm with the after-care treatment professional that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated and follows the after-care treatment plan.

If the MRO, after appropriate review, is in basic disagreement with the treatment or evaluation physician/center as to the appropriate return to work date after evaluation and/or

rehabilitation, then the MRO and the treatment/evaluation provider shall mutually agree upon a third (3rd) doctor within ten (10) working days, whose decision as to the appropriate return to work date shall be final and binding. If the third (3rd) doctor agrees that the employee should have been returned to work at a date earlier than that proposed by the MRO, the employee shall be reimbursed at his/her daily guarantee, less any other monies received, back to the release date of the evaluation and/or treatment facility. It shall exclude any time the employee was not available for examination or work.

Section 3.19 Record Retention

The medical review officer is the sole custodian of the individual test results. The MRO shall retain reports of individual positive test results for a minimum of five (5) years. Individual negative test results will be maintained for at least twelve (12) months. UPS shall maintain in a driver's qualification file only such information as required by the DOT to document compliance with the drug testing requirements.

Section 3.20 Release of Drug Testing Information

The MRO shall inform the employee before beginning the verification interview, that the MRO could transmit to appropriate parties information concerning medications being used by the employee or the employee's medical condition only if, in the MRO's medical judgment, the information indicated that the employee may be medically unqualified under applicable DOT agency rules.

When a grievance is filed as a result of a positive test the employee shall obtain from the laboratory its records relating to the drug test. Upon receiving the records, the employer shall promptly provide copies to the appropriate official of the Union, provided that the employee has executed the consent form authorizing release to the Union. The consent request will be given to the employee in conjunction with the request authorizing release of the information to the Employer.

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The Company agrees to notify the Union of any change of SAMHSA approved laboratories used for drug testing, for whatever reason.

Section 3.21 Paid For Time

Testing - Except for drug tests taken in conjunction with a DOT physical, the employee will be paid their regular straight time hourly rate of pay in the following manner:

1. For all time at the collection site.
2. (a) If the collection site is reasonably en route between the employee's home and the center, and the employee is going to or from work, pay for travel time one (1) way between the center and the collection site or the collection site to the center; or
(b) For travel time both ways between the center and the collection site, only if the collection site is not reasonably en route between the employee's home and the employee's center.
3. If an employee is called at home to take a random drug test at a time when the driver is not en route to or from work, the employee shall be paid in addition to all time at the collection site, travel time both ways between the employee's home and the collection site with no minimum guarantee.

When an employee is on the clock and a random drug test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee shall be paid time and one-half (1-1/2) for all time past the eight (8) hours.

Provisions in Supplements, Riders and Addenda that are superior shall prevail.

Section 4. Alcohol Testing

The parties have agreed that the procedures as set forth in Article 35, Section 4 shall be the methodology for testing and will be modified only in the event that further federal legislation or

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Department of Transportation regulations required by regulation, revise testing methodologies or requirements during the term of this Agreement.

Where such regulations allow revised testing methodologies such modifications shall be subject to mutual agreement by the parties.

Section 4.1 Employee's Who Must Be Tested

UPS employees subject to Department of Transportation mandated alcohol testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a Commercial Drivers License (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

Section 4.2 Testing

Because of the consequences that a positive test result has on an employee, UPS will employ a very accurate, two-stage testing program. Breath samples will be collected by a Breath Alcohol Technician (BAT), who has been trained in the use of the Evidential Breath Testing (EBT) device, in a course equivalent to the DOT's model course. All samples will be tested according to DOT alcohol testing requirements. In the event that breath testing is not possible in such cases as reasonable cause, or post-accident, the Employer has the right to use alternative DOT approved methods.

Section 4.3 Screening Test

The initial screening test uses an Evidential Breath Testing (EBT) device to determine levels of alcohol. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for alcohol:

Breath Alcohol Levels:

Less than 0.02 - Negative
0.02 and above - Positive (Requires Confirmation Test)

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Section 4.4 Confirmatory Test

All specimens identified as positive on the initial screening test, showing an alcohol concentration of 0.02 or higher, shall be confirmed using an EBT that is capable of providing a printed result in triplicate; is capable of assigning a unique and sequential number to each test; and is capable of printing out, on each copy of the printed test result, the manufacturer's name for the device, the device's serial number, and the time of the test.

A confirmation test must be performed not sooner than fifteen (15) minutes after the screening test, but not more than twenty (20) minutes after the screening test.

The following cutoff levels shall be used to confirm the presence of alcohol:

Breath Alcohol Levels:

Less than 0.02 - Negative
0.02 to 0.039 - Positive/Out of service for twenty-four (24) hours from time of the test
0.14 and above - Positive/Out of service and referred to Substance Abuse Professional (SAP).

Section 4.5 - Types of Testing Required

Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under DOT mandated random testing, and as follow-up testing for post alcohol rehabilitation as outlined under Article 16, Section 5.

Section 4.6 Reasonable Cause Testing

Upon reasonable cause, UPS will require an employee to be tested for the use of alcohol.

Reasonable cause is defined as an employee's observable action, appearance or conduct that clearly indicates the need for a fitness-for-duty medical evaluation.

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The employee's conduct must be witnessed by at least two (2) supervisors, if available. The witnesses must have received training in observing a person's behavior to determine if a medical evaluation is required. When the supervisor confronts an employee, a union representative should be made available pursuant to Article 4 of the National Master UPS Agreement as interpreted. If no steward is present, the employee may select another hourly paid employee to represent him.

Documentation of the employee's conduct shall be prepared and signed by the witnesses within twenty-four (24) hours of the observed behavior. In addition, a copy will be sent to the Local Union in a timely manner.

NON-DOT Reasonable Cause Testing

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated alcohol testing are only subject to reasonable cause testing as provided herein, in accordance with supplemental practices.

Section 4.7 - Post Accident Alcohol Testing

DOT mandated drivers will be required to submit to an alcohol test after a DOT defined serious accident, which is one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one (1) or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle.

Non-DOT mandated drivers may be required to submit to alcohol testing if there is any reasonable suspicion of alcohol usage or reasonable cause to believe that a driver has been operating a vehicle while under the influence of alcohol, or reasonable cause

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to believe the driver was at fault in the accident and alcohol usage may have been a factor.

Alcohol testing will be required after accidents under the above conditions and drivers are required to submit to such testing within two (2) hours of the accident, if possible, and within eight (8) hours at the latest.

Drivers are required to submit to such testing as soon as possible within two (2) hours. Under no circumstances shall this type of testing be conducted more than eight (8) hours after the time of the accident.

It shall be the responsibility of the driver to remain readily available for testing after the occurrence of a commercial motor vehicle accident. It is also the responsibility of the driver to not use alcohol for eight (8) hours or until an alcohol test is performed under this section, whichever occurs first. Union representation will be made available pursuant to Article 4 of the National Master UPS Agreement, as interpreted.

It is not the intention of this language to prohibit the driver from leaving the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to receive necessary medical attention.

Law Enforcement Testing

The result of a breath or blood test for the use of alcohol or a urine test for the use of controlled substances, conducted by federal, state, or local officials having independent authority for the test, shall be considered to meet the requirements of post-accident testing, provided such tests conform to applicable federal, state or local requirements, and that the results of the tests are obtained by the Employer.

Section 4.8 Random Testing - Random Employee Selection

The procedure used to randomly select employees for alcohol testing, in compliance with the U.S. Department of Transportation

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regulations, will be a computer program specifically intended for such an application.

The program will utilize an internal computer clock procedure to randomly generate lists of employees mandated for testing by the Department of Transportation/Federal Highway Administration. The computer shall randomly select the required number of employees from the total pool of affected employees. The total pool list shall be by each Region. The pool of employees selected randomly for controlled substance testing will also be the pool of employees selected for alcohol testing in compliance with DOT regulations. For verification purposes and to cover absences the computer shall print the following lists for each testing period:

1. An alphabetical total pool list of employees in the Region.
2. A District list of employees shall be printed from the random list in the order in which they are computer selected.
3. An alternate list by District, which is a continuation of the District's random list.

The lists or true copies of the lists shall be maintained by a third party administrator. Upon request to the District Labor Relations Manager, the lists will be made available for review by Local Union representatives and company labor relations managers to verify the proper application and use of the lists in the random testing system.

The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure insuring that all affected employees are treated fairly and equally.

The parties further agree not to amend or change the current method of random selection as described herein without prior agreement between the parties.

A driver shall only be tested for alcohol while the driver is performing safety sensitive functions, just before the driver is to

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perform safety sensitive functions, or just after the driver has ceased performing such functions.

Employees who are on long term illness or leave of absence shall not be subject to testing.

Section 4.9 Notification

UPS employees, subject to Department of Transportation mandated random alcohol testing, will be notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification.

Section 4.10 Rehabilitation and Testing after Return to Duty

If the Breath Alcohol Technician (BAT) determines a specimen is confirmed positive, then the employee will be removed from service and have five (5) calendar days to evaluate his/her situation with an approved Substance Abuse Professional (SAP) and then up to fifteen (15) calendar days to enter the rehabilitation treatment center after approval of a leave of absence as outlined in Article 16, Section 5 of the National Master UFS Agreement. UPS will follow the final recommendations of the Substance Abuse Professional (SAP), working in conjunction with the Medical Review Officer (MRO), who has consulted with the rehabilitation treatment professional as to the appropriate after-care protocol and post rehabilitation unannounced alcohol testing.

It is understood that if the grievance procedure is utilized contractual time limits on disciplinary action and the employee's request for rehabilitation will be suspended until resolution of the grievance.

The provision of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive alcohol test. Employees may use the United Parcel Service Employee Assistance Program, a union sponsored program, as well as any other referral service in choosing an approved program for treatment.

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Section 4.11 - Discipline

It is agreed that an employee will have a one (1) time rehabilitation opportunity for alcohol abuse as outlined in Article 16, Section 5, except as provided under Random Testing below. There shall also be a one (1) time rehabilitation opportunity for substance abuse.

1. Reasonable Cause Testing

An employee who is tested for reasonable cause and whose alcohol level is 0.02 to 0.039 will be taken out of service for twenty-four (24) hours and receive a warning letter.

An employee who is tested for reasonable cause and whose alcohol level is 0.040 to 0.069 will be taken out of service for twenty-four (24) hours, referred to a Substance Abuse Professional (SAP) and suspended for ten (10) days. If the employee has committed a disciplinary offense under the terms of the supplemental agreement, the results of the test may be used in the support of the Employer's disciplinary action.

A second positive test of 0.02 or above is a dischargeable offense.

A positive test of 0.070 or above is a dischargeable offense.

A presumption exists that the employee was drinking on the job if the observation, time of testing and alcohol level combine to show the employee's level was too high to have consumed alcohol prior to the employee's report time.

An employee taken out of service for a positive test result must have a negative test prior to returning to work.

2. Post Accident Testing

An employee who is involved in an accident for which the mandate requires post accident testing must submit to such test. A post accident test of 0.02 or above is a dischargeable offense.

3. Random Testing

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A positive test of 0.02 to 0.039 will result in the employee being taken out of service for twenty-four (24) hours and a warning letter shall be issued.

A second positive test of 0.02 to 0.069 or an initial positive test of 0.04 or above will result in the employee being taken out of service and a ten (10) day suspension shall be imposed. The employee will also be referred to a Substance Abuse Professional (SAP) for evaluation. If the SAP requires in-patient treatment and that in-patient treatment is the second such treatment afforded the employee, the cost of such treatment will not be borne by the UPS medical plan.

A third positive test of 0.02 or above after the employee was tested pursuant to the above levels will subject the employee to discharge.

4. Dischargeable Offenses

Other language to the contrary notwithstanding, the following may result in discipline up to and including discharge:

- A. Failure to successfully complete rehabilitation.
- B. A positive test as part of post-care testing.
- C. Failure to comply with the after-care treatment plan.
- D. Possession of and/or consumption of an alcoholic beverage while on duty.
- E. Any test of an on-duty employee that measures at or above the state mandated DWI level. Should any state reduce the DWI mandated levels below 0.08, the Employer and the Union agree to meet and re-negotiate section E. of this Agreement.
- F. An employee's refusal to submit to a negotiated test.

Non-mandated employees shall be subject to reasonable cause testing as outlined above.

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In no circumstances under this Section shall suspension time run concurrently with any leave period.

Section 4.12 - Preparation for Testing

Pursuant to Department of Transportation regulations, the Employer reserves the right to utilize on site or off site testing facilities. Under no circumstances shall the Employer utilize UPS personnel to serve as a Breath Alcohol Technician (BAT). Employer forms used in the testing procedure shall be mutually agreed upon by both parties.

Upon arrival at the testing site, an employee must provide the BAT with a photo identification.

If the employee arrives without the photo identification, the BAT should contact the District Safety and Health manager or the District Human Resources manager.

A consent form will be provided to the BAT by the Employer or third party administrator. The employee shall sign the consent form and the BAT shall sign as a witness.

A standard DOT approved alcohol testing form must be used by all testing facilities.

Section 4.13 Specimen Testing Procedures

The Employer agrees to implement a "Specimen Testing Checklist". The checklist, approved by the UFS/IBT Safety and Health Committee, is to be used with the affected employees at the testing site by the person performing the testing for the Employer. The checklist is to be used at all locations, but it is understood that failure to use or the refusal to use the checklist does not invalidate a properly conducted alcohol testing procedure. Nor does it prohibit an employee's recourse to the collective bargaining agreement and/or the grievance procedure.

Procedures for alcohol testing will follow Department of Transportation guidelines to ensure an individual's privacy.

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No unauthorized personnel will be allowed in any area of the testing site. Only one (1) alcohol testing procedure will be conducted at a time.

The employee will provide his or her specimen in a location that allows for privacy. The Employer agrees to recognize all employee's rights to privacy while being subjected to the testing process at all times and at all testing sites. Further the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to insure that the entire process does nothing to demean, embarrass or offend the employees unnecessarily. Testing will be under the direct observation of a BAT. All procedures shall be conducted in a professional, discreet and objective manner. Direct observation will be necessary in all cases.

The employee shall provide an adequate amount of breath for the EBT device. If the individual is unable to provide a sufficient amount of breath, the BAT shall direct the individual to again attempt to provide a complete sample. If the employee fails for any reason to provide the requisite amount of breath, the BAT shall contact the TPA, District Safety and Health manager or Human Resources manager.

If an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, as soon as practical, an evaluation from a licensed physician chosen by the Employer concerning the employee's medical ability to provide an adequate amount of breath. If the physician determines that a medical condition has, or with a high degree of probability, could have precluded the employee from providing an adequate amount of breath, the employee's failure to provide an adequate amount of breath will not be deemed a refusal to take the test.

If the physician is unable to make a determination that the employee was medically unable to provide a sufficient amount of breath, the employee will be regarded as refusing to take the test.

The BAT shall document any unusual behavior or appearance on the alcohol testing form.

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Section 4.14 Substance Abuse Professional (SAP) and Medical Review Officer (MRO)

Each Substance Abuse Professional (SAP) must be a licensed Doctor of Medicine or Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

Each Medical Review Officer (MRO) must be a licensed Doctor of Medicine or Osteopathy with knowledge of substance abuse disorders. The SAP and the MRO may be the same individual if they meet the DOT regulations.

The SAP, working in conjunction with the MRO, is responsible for performing the following functions:

1. Review and determine with the after-care treatment professionals whether and when a return to work agreement can be made for an employee. The SAP, working in conjunction with the MRO, shall also review any rehabilitation program in which the employee participated.
2. Reviewing with after care treatment professionals the schedule of unannounced testing for an employee who has returned to duty after failing an alcohol test conducted in accordance with the return to work agreement or after refusing to submit to an alcohol test required by the return to work agreement.

Frequency of such follow-up testing shall consist of at least six (6) tests in the first twelve (12) months following the drivers' return to duty. The one (1) year period may be extended by the after-care treatment professional in consultation with the SAP, working in conjunction with the MRO, as necessary.

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Section 4.15 SAP/MRO Determination

In order to make a recommendation to return an employee to duty after the employee has tested positive for the presence of alcohol or has refused to submit to an alcohol test, the SAP, working in conjunction with the MRO, shall:

- A. Ensure that the individual or employee is "alcohol free" based on an alcohol test that shows no positive evidence of the presence of alcohol in the person's system.
- B. Ensure that the employee has been evaluated by a rehabilitation program counselor for alcohol use or abuse.
- C. Ensure and confirm with the after-care treatment professional that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated and follows the after-care treatment plan.

If the SAP, working in conjunction with the MRO, after appropriate review, is in basic disagreement with the treatment or evaluation physician/center as to the appropriate return to work date after evaluation and/or rehabilitation, then the SAP, working in conjunction with the MRO, and the treatment/evaluation provider shall mutually agree upon a third (3rd) doctor within ten (10) working days, whose decision as to the appropriate return to work date shall be final and binding. If the third (3rd) doctor agrees that the employee should have been returned to work at a date earlier than that proposed by the SAP, working in conjunction with the MRO, the employee shall be reimbursed at his/her daily guarantee, less any other monies received, back to the release date of the evaluation and/or treatment facility. It shall exclude any time the employee was not available for examination or work.

Section 4.16 Record Retention

The Employer shall maintain records in a secure manner, so that disclosure of information to unauthorized persons does not occur.

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Each Employer or its agent is required to maintain the following records for two (2) years:

1. Records of the inspection and maintenance of each EBT used in employee testing;
2. Documentation of the Employer's compliance with the Quality Assurance Plan (QAP) for each EBT it uses for alcohol testing;
3. Records of the training and proficiency testing of each BAT used in employee testing; and
4. Any required log books.

The Employer or its agent must maintain for five (5) years records pertaining to the calibration of each EBT used in alcohol testing, including records of the results of external calibration checks

Section 4.17 Release of Alcohol Testing information

The Breath Alcohol Technician (BAT) shall inform the employee before testing that the Employer will be notified if the confirmatory test is greater than 0.02, since the employee will be removed from service and considered medically unqualified to drive under DOT agency rules and regulations.

When a grievance is filed as a result of a positive test the Employer shall obtain records relating to the alcohol test. Upon receiving the records the Employer shall promptly provide copies to the appropriate official of the Union, provided that the employee has executed the consent form authorizing release to the Union. The consent request will be given to the employee in conjunction with the request authorizing release of the information to the Employer.

Section 4.18 Paid For Time

Testing - the employee will be paid their regular straight time hourly rate of pay in the following manner.

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1. For all time at the testing site.

2. (a) If the testing site is reasonably en route between the employee's home and the center, and the employee is going to or from work, pay for travel time one way between the center and the testing site or the testing site to the center; or

- (b) For travel time both ways between the center and the testing site only if the testing site is not reasonably en route between the employee's home and the employee's center.

When an employee is on the clock and a random alcohol test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee shall be paid time and one-half (1-1/2) for all time past the eight (8) hours.

Provisions in Supplements, Riders and Addenda that are superior shall prevail.

ARTICLE 36. NONDISCRIMINATION

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, national origin, handicap, veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law, nor will they limit, segregate or classify employees in any way to deprive any individual employees of employment opportunities because of race, color, religion, sex, national origin, handicap, veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabilities Act.

ARTICLE 37. MANAGEMENT-EMPLOYEE RELATIONS

Section 1.

The parties agree that the principle of a fair day's work for a fair

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day's pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. The Employer will treat employees with dignity and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

No employee shall be disciplined for exceeding personal time based on data received from the DIAD/IVIS or other information technology.

Section 2.

Not more than one (1) member of management will ride with a driver at any time except for the purpose of training management personnel. No driver will be scheduled for more than one (1) day's ride per year with more than one (1) member of management on the car. Such day will not be used for disciplinary purposes. The sole reason for two (2) management employees on the car is for supervisory training. If a supervisor assists a driver during an O.J.S., that day will not be used in determining a fair day's work.

During scheduled safety training for feeder drivers the supervisor will only drive for demonstration purposes and this will not exceed one (1) hour per workday.

Section 3.

Any alleged violation of this Article shall be subject to the applicable grievance procedure. Where an employee has submitted a grievance regarding an excessive number of rides, no member of management shall ride with that employee unless and until the local level hearing is concluded, provided such hearing is held within five (5) working days. If the Union has a legitimate reason for not being available within the five (5) working days, the period will be extended up to a total of ten (10) working days.

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ARTICLE 38. CHANGE OF OPERATIONS

Section 1.

(a) The Employer agrees that prior to any change in its operation that will result in a change of domicile and/or possible layoff of seniority employees, it shall notify the affected Local Union(s) in writing and then meet jointly with them to inform them of the changes and to resolve questions raised in connection with the change. This meeting shall be completed where practical at least forty-five (45) days prior to the change.

(b) Any agreed to change of operations reached by the Local Union(s) and the Employer shall be reduced to writing and filed with the Joint National Change of Operations Committee. It is understood that a regional area representative of the affected region(s) shall sit on the Joint National Change of Operations Committee.

(c) A Joint Change of Operations Committee will be established in each Regional area and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application, health and welfare, and pension coverage and layoff questions for employees who are involved in the change. All affected parties will make reasonable efforts to convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

If the Regional Joint Change of Operations Committee is unable to resolve the issues, such issues shall be referred to the Joint National Change of Operations Committee for resolution. If no resolution is reached, outstanding issues shall be referred to the National Grievance Committee for resolution.

The Committee which decides the issues, as described above, shall retain jurisdiction for a period of twelve (12) months following the change of operations decision. The decision of the Committee shall be final and binding.

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Unless specifically covered in individual Supplements, Riders or Addenda, the following shall apply:

(1) Whenever a center is closed and the work is transferred to or absorbed by another center, the affected employees will be entitled to follow their work and their seniority shall be dovetailed at the new center.

(2) Whenever a center or hub is partially closed and the work of package drivers and all other regular employees, part-time and full-time, excluding feeder drivers, is transferred to or absorbed by another center, the affected employees may either follow their work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center and displace the least senior employee in their respective classifications. If any of the employees whose work is transferred elects not to follow his/her work, then he or she shall have the same rights as the remaining employees on the seniority list from which the work was transferred to bid the work being transferred. Those employees who follow the work shall have their seniority dovetailed in the new center.

(3) In a Change of Operations affecting feeder drivers, the following language will apply: Whenever a center is partially closed and the feeder work is transferred to or absorbed by another center, all feeder drivers, in seniority order, will have the option of following the available work and have their seniority dovetailed in the new center or be allowed to exercise their seniority in their present center, and take whatever job becomes open as a result of other employees following the work or taking a layoff. If a senior feeder driver elects to take a job which has been transferred out, the displaced employee(s) will fill the vacated job(s) by seniority until the next bid.

Section 2.

As a result of the Employer moving an operation more than seventy-five (75) miles, all full-time employees in accordance with classification seniority who choose to move, will have their moving expenses paid.

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The expense shall include the reasonable cost of packing and the moving of household goods or house-trailer including dismounting and mounting. The employee(s) who transfer will have one (1) year from the date of the change to move.

(a) Employee(s) who are transferred out of their original area where they are covered by a Tennstar Pension Trust Fund into the jurisdiction of another pension trust fund, such employee(s) shall remain in their original pension trust fund.

The Employer agrees to pay the required pension contributions to the employee(s) original pension trust fund as set forth in the trust agreement, provided there is no conflict with any collective bargaining agreement and/or trust agreement.

ARTICLE 39. TRAILER REPAIR SHOP

Trailer repair facilities are intended to be a separate and distinct operation from the normal UPS automotive department.

It is understood by the parties that the creation of trailer repair facilities and their locations shall be at the discretion of the Company.

Section 1. Recognition

By execution of this Agreement, the Employer acknowledges and agrees that employees employed in the classifications listed below in this Article shall be considered bargaining unit employees for all intents and purposes and be covered by and included in Article 3 Recognition, Union Shop and Checkoff, and additionally, such employees shall become a part of the National Single Bargaining Unit as set forth in this Agreement, unless otherwise provided by law.

Section 2. Employee Classifications

Trailer Repair Employee

Utility Employee Full-time and Part-time

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A Trailer Repair employee is a person hired to maintain, rebuild or repair equipment, in a Trailer Shop.

Section 3. Wage Rates By Classification

Trailer Repair Employee

The wage rate of a trailer repair employee will be eighty percent (80%) of the prevailing rate of the UPS automotive journeyman mechanic in the area where the trailer repair shop is located. A new trailer repair employee will start at one dollar (\$1.00) per hour less than the above-mentioned rate and will receive a twenty-five cent (\$.25) per hour increase when gaining seniority, an additional twenty-five cents (\$.25) per hour after sixty (60) working days, and an additional twenty-five cents (\$.25) per hour after ninety (90) working days and the final twenty-five cents (\$.25) per hour at the end of one hundred and twenty (120) working days.

Utility Employee Full-time and Part-time

The rate of pay for utility employees will be seventy-five percent (75%) of the prevailing rate of the trailer repair employee in the area where the trailer repair shop is located. A new utility employee, full-time or part-time, will start at fifty cents (\$.50) per hour less than the above-mentioned rate and will receive a twenty-five cent (\$.25) per hour increase when gaining seniority and an additional twenty-five cents (\$.25) per hour after six (6) months of employment.

Section 4. Health and Welfare

All trailer repair shop employees shall be covered under the health and welfare plan in effect in the Area Supplemental Agreement, Rider or Addendum.

Section 5. Pension

The Employer shall make pension contributions to the fund designated by the Local Union in the same amounts negotiated

and provided for in the Supplemental Agreement, Rider or Addendum in effect in that area.

Section 6. Seniority

The provisions of Seniority in this Article do not supersede any seniority provisions in Local Supplements, Riders, Addenda or elsewhere in this Master Agreement unless mutually agreed.

a. Classification Seniority shall prevail when unscheduled work is available. Unscheduled work can include but is not limited in 6th and 7th day work as well as holiday work. The employee requesting such work must have adequate hours available to perform the work, and must be qualified to do the work.

b. In the event of a lay-off, the least senior employee in the classification shall be laid off first. Recall shall be in reverse order of seniority.

Any Trailer Repair employee who is laid off at least five (5) consecutive days shall have the right to displace any junior employee in the Trailer Shop providing he/she is qualified to perform the work of the employee he or she has displaced.

The employee shall receive the appropriate rate of pay for the job being performed.

c. Trailer shop employees will be given the opportunity to select start times by seniority on an annual basis, provided they are qualified to perform the work.

Employees shall have classification seniority within the trailer repair facility only and shall have the right to exercise the same as set forth in the Area Supplement, Rider, or Addendum. Modifications or changes to area practices concerning the application of seniority may be made by mutual agreement between the Local Union and the Employer and shall be a subject for negotiations. All changes or modifications must be approved by the National Negotiating Committee prior to implementation.

Section 7. General

All other terms and conditions of employment shall be negotiated between the Local Union and Employer and presented to the National Negotiating Committee for approval and set forth in local area trailer repair shop Riders or Addenda.

In areas where current trailer repair employees are part of a Local area or Supplemental Mechanics Agreement those employees shall remain covered by their current Agreement. In areas where the Employer elects to build or open a separate Trailer Repair Facility, unresolved issues of the newly effected employees will be referred to the National Committee for resolution.

Section 8. Movement of Equipment

It is agreed that all movement of equipment to and from the trailer repair shop may be assigned to a qualified trailer repair shop employee and shall be paid at his/her classification rate.

Section 9. Amendments

Any alterations, changes, additions or deletions to this Article must be presented to the National Negotiating Committee for approval prior to being placed into effect.

Section 10. Paint and Body Facilities

In the event paint and body facilities are created to perform repair work on feeder and package car equipment, the above Article and Sections shall apply.

Section 11. Training Program

A utility employee shall have a one-hundred-twenty (120) day training program to qualify as a trailer repair person when filling an opening. The trainee shall maintain his/her current rate of pay for the one-hundred-twenty (120) day period. Should he/she qualify, he/she will go to the starting rate of a trailer repair person. Should an employee fail to qualify as a repair person said employee will return to his or her previous position. A trainee shall remain on the vacation schedule of his/her previous position.

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No employee shall be subject to a pay decrease as a result of this language.

This qualification will be limited to one (1) per lifetime of this Agreement. Qualification is to be determined by the Company.

Section 12.

All language in Article 39 is based on an employee being qualified to perform the work.

ARTICLE 40. AIR OPERATION

Preamble

In order for the Employer, the Union and the employees to further benefit from the expanding air operations, the following Sections shall supersede language on the same subjects in the Supplements, Riders and Addenda, unless specifically stated otherwise in this Article.

Section 1. Air Drivers

(a) Air driver work shall consist of delivery and pickup of air packages which, because of time and customer commitments, cannot be reasonably performed by regular package drivers. Such work may include:

- (1) Delivery of air packages which the regular delivery drivers cannot deliver within guaranteed time commitments.
- (2) Delivery of air packages arriving at the facility after regular drivers have been dispatched.
- (3) Delivery and pickup of air packages on weekends and holidays.
- (4) On call air pickups.
- (5) Pickup at air counters and drop boxes.

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(6) Additional late air pickups.

(7) Air drivers may, on an exception basis, be used to make service in packages which are not air packages.

An exception package is intended to be when an Air Driver is making a pickup, as outlined above, after the regular driver has been at the customer's premises, and the customer has an exception ground package(s) for shipment, the air driver may make service on this package(s). Air drivers may continue to pick up Automatic Return Service packages but the features of this service will not be expanded.

Any violation of Section 1, (a), (7), shall obligate the Employer to pay the Air Driver involved the difference between his/her rate of pay and the top regular package car driver wage rate existing at that building. Grievances concerning violation or abuse of this shall be referred directly to the National Air Committee.

(8) Delivery of early AM Packages.

(9) Movement of air packages to airports and other locations such as service centers, UPS buildings and driver meet points. Shuttle work currently performed by regular full-time drivers shall be excluded. Should a regular full-time driver vacate a position which includes air shuttle work, that job shall either be rebid as it previously existed and continue to be paid at the regular driver rate or the air shuttle work may be combined with other air work to create one (1) or more full-time air or full-time combination job(s) paid in accordance with Section 6 below. In no event shall such shuttle work be assigned to a part-time air driver.

Shuttle work currently being performed by part-time air drivers shall be converted to full-time air driver work when the driver vacates the job except when there is not enough work available to create a full-time job.

(b) The work day for Air Drivers shall be as follows:

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(1) Eight (8) hours scheduled work in the air driver's classification, or a combination of eight (8) hours scheduled work in the air driver's classification and other bargaining unit classifications, except air walker. These employees shall receive all appropriate full-time benefits.

(2) Less than eight (8) hours scheduled work in the air driver classification or a combination of less than eight (8) hours scheduled work in the air driver classification and other bargaining unit classifications, except air walker. The Employer will notify the Union within thirty (30) calendar days in writing when a less than eight (8) hour position is created, and the Union will have thirty (30) calendar days to grieve the implementation if they believe such position is improper. This grievance shall go directly to the National Air Committee. These less than eight (8) hour employees shall receive appropriate part-time benefits. No less than eight (8) hour combination job will be rescheduled to create two (2) part-time jobs.

(3) Combinations which require more than a two (2) hour gap between jobs will normally not be used unless mutually agreed to by the Local Union and the Employer.

(c) Air Driver Work Week

The work week for full-time air drivers currently working a Monday through Friday work week shall continue on that schedule. The work week for additional full-time air drivers shall be any five (5) consecutive days in seven (7), and for all part-time air drivers shall be any five (5) in seven (7) days.

(d) Air Driver Guarantee and Overtime

(1) Full-time air drivers shall have the same daily and weekly guarantees as provided for regular drivers in the applicable Supplement, Rider or Addendum. They shall receive overtime pay for hours worked in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

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(2) Less than eight (8) hour air drivers who have a regular scheduled start time shall have a three (3) hour daily guarantee. They shall receive overtime pay for hours worked in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

(3) Any less than eight (8) hour combination air driver who works their three (3) hour guarantee shall be guaranteed four (4) hours. They shall be paid overtime for work in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

(4) The provisions above do not apply to an air exception driver who performs extra work under Sections l h, j or k, below.

(5) Employees in paragraphs (2) and (3) above shall be entitled to all other provisions in their Supplement, Rider or Addendum (such as bidding to full-time jobs and layoff provisions, etc.)

(c) Start Times

All full-time and part-time air drivers, who have a scheduled assignment, shall have start times posted the previous week. Start times may be adjusted with notification prior to the employees reporting to work.

(f) Break Periods

(1) Full-time air drivers shall receive the same provisions for lunch and/or breaks as regular drivers receive in their Local Supplement, Rider or Addendum

(2) This provision is not intended to give less than eight (8) hour air drivers or less than eight (8) hour combination air drivers more than one (1) break unless specifically stated otherwise in the Local Supplement, Rider or Addendum.

(g) Bidding Procedure

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Air driver jobs shall be subject to the appropriate bidding procedures in the applicable Supplement, Rider or Addendum.

(h) Exception Air Drivers

(1) The Employer and the Union recognize that there may be air packages that cannot be delivered by the regular full-time package car driver or the scheduled air drivers listed in this Section. Therefore, the parties agree to continue the practice of allowing the use of part-time employees who have signed the exception qualified list or who have expressed in writing their desire to be on the list and who have been certified to deliver these exception air packages.

(2) Employees certified on the exception Air Driver list who have not worked over forty (40) hours in the current work week shall be offered this work by seniority.

(3) Exception air drivers shall have no guarantee and will be paid only for the time worked making air deliveries. In the event a part-time employee works over eight (8) hours in any one (1) twenty-four (24) hour period, he or she shall be compensated at the rate of time and one-half (1-1/2) for all hours worked over eight (8) hours at the rate of pay specified in Section 6 below.

(4) No exception air driver shall be required by the Employer to wait at a center for packages off the clock.

(i) Personal Vehicles

Air exception drivers will use the Employer's vehicles whenever possible. Air Exception drivers who would happen to use their personal automobiles shall be reimbursed at the IRS limit applicable per mile for all miles driven to perform the air driving work in addition to their air driver wages. When an employee uses his/her own vehicle in the service of the Employer and is involved in an accident, the Employer shall be responsible for the damages to both the employee's vehicle and to the other person's vehicle and/or property, and will provide liability insurance coverage.

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(j) Holiday Work

When it is necessary to provide air service on holidays, the following procedure shall be used:

- (1) The Employer shall offer this work in seniority order to full-time air drivers who have worked at least one (1) day that week before offering it to part-time air drivers.
- (2) When the scheduling needs cannot be met using the above provision, the Employer shall have the right to force part-time air drivers and then full-time air drivers to work starting in reverse order of seniority. If after exhausting the above steps scheduling needs are still not met, the Employer shall offer the work in seniority order within the package driver classification. If more drivers are still needed the reverse seniority order concept will be used for package drivers. Package car drivers forced to work on a holiday will be paid at the Supplemental holiday rate for actual hours worked.

- (3) The scheduling of the support work will be reviewed with the Local Union prior to the holiday. If the Local Union believes that the Employer has scheduled an excessive number of support employees, it shall have the right to appeal directly to the National Air Committee. The National Air Committee will review the schedule and determine whether the Employer has scheduled an excessive number of support employees. If it is determined by the National Air Committee that the Employer worked excessive support employees, the excessive employees worked shall be paid double time for hours worked in addition to their holiday pay.

- (4) Air drivers and support employees scheduled on a holiday to ensure air services to the customer, including time performing incidental work, shall receive straight-time for all hours worked up to eight (8) hours in addition to the holiday pay. Overtime provisions shall apply if the employee works over eight (8) hours.

(k) Saturday or Sunday Air Work

- (1) To perform Saturday or Sunday air work the Employer and

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the Union recognize the need for air drivers other than those regularly scheduled. Qualified part-time employees who are interested in performing this work will so notify the Employer, be certified and be placed in seniority order on a posted qualified air driver list. Such work will be first offered in seniority order to employees on the qualified list who have not worked more than thirty-seven (37) hours in the current week. This work shall then be offered in seniority order to qualified part-time employees regardless of hours worked. If the scheduling needs still cannot be met, and additional employees are needed, the Employer may force part-time employees in reverse seniority order.

- (2) These employees shall be paid at the air driver's straight-time rate of pay in accordance with Section 6 below. Time and one-half (1-1/2) will be paid after eight (8) hours per day or after forty (40) hours per week.

- (3) All employees working as an air driver on Saturday or Sunday under this Section shall have a three (3) hour guarantee.

Section 2. Air Walkers

- (a) Air Walkers may deliver and/or pickup air packages and shall not drive any vehicle which requires a driver's license in the performance of their duties.

- (b) Air Walkers will not be used to pickup or deliver ground packages.

- (c) Air Walkers shall start and end the day in the area they work.

- (d) Air Walkers shall be guaranteed three (3) hours per day and shall be given a ten (10) minute paid break.

- (e) Air Walkers shall be paid in accordance with Section 6 below.

- (f) Air Walkers shall receive all part-time benefits and conditions of employment as outlined in the appropriate Supplement, Rider or Addendum including the right to bid into full-time jobs. An air walker position shall be open for bid to current employees prior to filling that position from the outside.

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(g) The intent of this Section is not to eliminate present full-time air jobs and/or combination jobs.

Section 3. Air Hub and Gateway Operations

Employees presently working in or hired into existing air hubs and/or gateways shall continue to work under the present agreements covering the air hub and gateway operations. If no agreement exists, Article 40, Section 3 shall apply. However, if Section 3 is silent, the appropriate Supplement, Rider or Addendum will apply.

(a) Workweek

(1.) The workweek for air hub and gateway employees shall consist of any five (5) days in a seven (7) day period.

(2) Air hub and gateway employees hired prior to August 1, 1987 shall have the right to maintain the work week in existence at that time, if such workweek exists.

(b) Daily Guarantees

The three (3) hour daily guarantees shall apply whenever possible. The implementation of a daily guarantee will be reviewed on a regular basis by the National Air Committee to determine if local conditions exist that would permit the Employer to provide for or adjust a daily guarantee.

(c) Holidays

(1) When it is necessary to operate an air hub and gateway operation on a holiday, those employees worked will be paid overtime in addition to holiday pay if it is not a scheduled work day for those employees.

(2) For those employees not qualified for overtime, as stated above, the holiday will be a normal work day.

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(3) The holiday shall be defined as the day the holiday is nationally observed.

(4) Start times on these days may differ from normal work day start times.

(d) Rest Periods - Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

(e) Newly Expanded Hubs and Gateways

If an air operation is expanded or altered and is no longer able to effectively operate, the Employer and the Union shall meet to work out any needed modifications, which would be subject to approval of the National Air Committee.

(f) Seniority

(1) Air hub and gateway employees shall work off one (1) seniority list within each operation, unless otherwise mutually agreed. Part-time employees covered under this Section shall be given the same opportunities for full-time positions as described in the appropriate Supplement, Rider or Addendum. Where those Agreements are silent or are not clear, the Employer and the Local Union shall meet and agree upon a method of affording the opportunity for full-time employment.

(2) In air hub and gateways that currently have no procedure to recognize part-time seniority, part-time employees with one (1) or more years of seniority will be allowed in seniority order to fill permanent vacancies on a different shift and/or fill permanent vacancies between the airport sort facility and the ramp in all months except November and December. The employee will be allowed to exercise this procedure once a year.

(g) Start Times

Start times may be adjusted with notification, prior to the

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employees reporting for work, to coincide with the arrival and departure of parcels.

(h) Rain Gear

The Employer shall provide all outside ramp employees rain gear, to include, pants and tops. De-ice crews shall be provided with insulated coveralls, insulated gloves, boots and rain gear that is large enough to fit over the insulated coveralls.

Section 4. Start Times for Air Shuttle and Air Feed Drivers

Because of the nature of the air business, regular air shuttle and air feed drivers may have flexible start times on Monday, Friday, Saturday, Sunday and/or holidays to coincide with the needs of the Employer's air operations.

Section 5. Grievance Procedure

(a) A Joint National Air Committee shall be appointed for the purpose of continually reviewing the progress of the air expansion and the unforeseen problems that may arise. This Committee shall have the authority to amend, alter, add to and delete provisions of this Article as it deems necessary to further the best interests of the employees and the Employer's air operation.

(b) All grievances, controversies and/or disputes concerning the Air Operation shall be subject to the regular grievance procedure. Any decision rendered by a local, state or area panel which interprets Article 40 shall not be precedent setting in any other case.

(c) Any dispute concerning the interpretation or applicability of this Article, including cases which have deadlocked at the lower level, shall be submitted to the Joint National Air Committee for resolution. Such resolution will include the right to submit the matter to arbitration in accordance with Article 8 procedures. Decisions made in accordance with this section shall be final and binding on all parties.

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Section 6. Wages

All hourly wages for employees covered under Article 40 will be determined only in accordance with this Section.

a. Part-time air drivers, including exception air drivers, will be paid as follows:

| | |
|--|----------|
| Start | \$11.00 |
| Seniority | \$11.50 |
| Seniority plus twelve (12) months | \$12.00 |
| Seniority plus eighteen (18) months | \$12.50 |
| Seniority plus twenty-four (24) months | Top Rate |

1. The twenty-four (24) month (top) rate will change August 1st of each year of the Agreement as follows:

| | |
|----------------|---------|
| August 1, 1997 | \$13.00 |
| August 1, 1998 | \$13.60 |
| August 1, 1999 | \$14.20 |
| August 1, 2000 | \$14.80 |
| August 1, 2001 | \$15.50 |

2. All part-time air drivers in progression on August 1, 1997 will be slotted into the new progression in paragraph a. above. Seniority part-time employees entering a part-time air driver job after August 1, 1997 will begin at the seniority rate.

b. Full-time air drivers will be paid as follows:

| | |
|--|----------|
| Start | \$13.00 |
| Seniority | \$13.50 |
| Seniority plus twelve (12) months | \$14.00 |
| Seniority plus eighteen (18) months | \$14.50 |
| Seniority plus twenty-four (24) months | Top Rate |

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i. The 24 month (top) rate will change August 1st of each year of the Agreement as follows.

| | |
|----------------|---------|
| August 1, 1997 | \$15.00 |
| August 1, 1998 | \$15.60 |
| August 1, 1999 | \$16.20 |
| August 1, 2000 | \$16.80 |
| August 1, 2001 | \$17.50 |

2. All full-time air drivers in progression on August 1, 1997 will be slotted into the full-time progression in paragraph b. above. Seniority full-time employees entering a full-time air driver job will be slotted based on their company seniority.

c. All new hire full-time or part-time air drivers will be placed in the applicable progression in paragraphs a. or b. above.

d. All current full-time or part-time air drivers who are out of progression shall receive the general wage increases provided for in Article 41 on each contract anniversary date, or the top rate provided in paragraphs a. or b. above, whichever is greater.

c. Employees in existing or newly created less-than-eight hour combination jobs shall be paid the appropriate part-time air rate for air driver work and their normal part-time wages for the hours worked in other classifications in accordance with Article 22.

f. Employees who are in existing full-time combination jobs or who hereafter enter a full-time combination job shall be paid the appropriate full-time air rate for air driver work and the appropriate inside part-time rate for the hours worked in other classifications. If an employee has no established inside rate, that employee will be paid the appropriate part-time rate in accordance with his/her Company seniority.

g. Employees on the exception air driver list shall be slotted into the part-time air driver progression in paragraph a. above based upon the length of time the employee has been performing air exception work. Seniority employees who begin performing air

exception work will start at the seniority rate. New part-time employees signing up to perform air exception work will receive the start rate in paragraph a. above until they gain seniority.

h. Air hub and gateway employees and Air Walkers shall be paid at the "all other" rate of pay as shown in Article 22. However, if a part-time employee is awarded an air walker job he/she shall continue to receive his/her inside rate in accordance with Article 22.

i. Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

ARTICLE 41. WAGES

Section 1. Full-Time Wage Increases

All full-time employees who have attained seniority as of August 1, 1997 will receive the following general wage increases.

| | | |
|----------------|------------------------|----------|
| August 1, 1997 | sixty cents per hour | (\$0.60) |
| August 1, 1998 | sixty cents per hour | (\$0.60) |
| August 1, 1999 | sixty cents per hour | (\$0.60) |
| August 1, 2000 | sixty cents per hour | (\$0.60) |
| August 1, 2001 | seventy cents per hour | (\$0.70) |

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases and will be paid no less than what they are entitled to in accordance with Article 41, Section 2 below.

Section 2. Full-Time New Hire Wage Progression

All Supplements, Riders or Addenda will contain the following wage progression schedule to cover all full-time employees, except apprentices, who have not yet attained seniority as of August 1, 1997:

The rate in effect on July 31, 1997 will be used to calculate the progression rates for the life of this Agreement.

| | Rate in Effect on July 31, 1997 |
|--|---------------------------------|
| Start | 70% |
| Seniority | 75% |
| Seniority date plus one (1) year | 80% |
| Seniority date plus eighteen (18) months | 90% |
| Seniority date plus two (2) years | Top Rate |

Part-time employees on the payroll as of July 31, 1997 who subsequently are promoted to full-time employment, will be paid their current wage rate until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

When a part-time employee bids to a full-time classification where the top rate of the full-time classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

Section 3. Full-Time Inside Wages

The pay rates for full-time inside only jobs created under Article 22, Section 3 on or after August 1, 1997 shall be as follows:

| | |
|----------------|---------|
| August 1, 1997 | \$15.00 |
| August 1, 1998 | \$15.60 |
| August 1, 1999 | \$16.20 |
| August 1, 2000 | \$16.80 |
| August 1, 2001 | \$17.50 |

These rates shall not apply to any full-time inside jobs guaranteed by Article 22, Section 2 created prior to August 1, 1997.

Part-time employees whose rates are higher than those set forth above who bid into a full-time inside job created after July 31, 1997 shall be paid their current inside wage rate plus the general wage increases.

Other employees who bid into a full-time inside job created after July 31, 1997 will be paid their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below:

| | |
|--|----------|
| Start | \$13.00 |
| Seniority | \$13.50 |
| Seniority plus one (1) year | \$14.00 |
| Seniority plus eighteen (18) months | \$14.50 |
| Seniority plus twenty-four (24) months | Top Rate |

The twenty-four (24) month (top) rate will change August 1st of each year of the Agreement as follows:

| | |
|----------------|---------|
| August 1, 1997 | \$15.00 |
| August 1, 1998 | \$15.60 |
| August 1, 1999 | \$16.20 |
| August 1, 2000 | \$16.80 |
| August 1, 2001 | \$17.50 |

ARTICLE 42. UNIFORMS

Effective May 1, 1994, short uniform trousers will be provided as an option for package and feeder drivers at no cost to the employee. Such shorts may only be worn in compliance with uniform and appearance standards established by the Employer.

ARTICLE 43. PREMIUM SERVICES

Section 1. Job Protection

From time to time, the Employer must offer special new premium services to its customers in order to protect existing jobs and further the mutual goal of increasing the number of bargaining unit jobs. The Employer shall utilize bargaining unit employees to perform the feeder movement work of such new premium services, which work shall be considered to be bargaining unit work. The provisions of this Article shall also apply to all packages moved by airplane and to the Employer's "city pairs."

service, where it is necessary for the Employer to implement the service to meet its competition. No feeder driver will be laid off or displaced from a feeder classification as a direct result of any provision in this Article.

In implementing such new premium services, the Employer shall utilize the following options to complete the ground movement of the customers' packages in the following order:

- (1) If the Employer's existing feeder network can meet the Employer's time and service needs, that network will be used first.
- (2) When the existing feeder network will not adequately meet the Employer's time and service needs, the Employer agrees to establish a new driver classification, which shall be called a premium service driver. This driver will be typically used to move loads to and from ground and air hubs that are more than two hundred fifty (250) miles apart. Wherever practical, the driver will start at approximately the same start time each day and make two (2) round trips per week to a scheduled sort location. Such work must provide the driver a minimum four (4) day work week.

Benefits provided will be those of regular full-time feeder drivers. The driver will be provided the opportunity to work ten (10) hours per day four (4) days per week. Drivers will also be provided with lodging and shuttle service at the away destination. When jobs are created that have less than ten (10) hours of work, the premium service driver will be paid at the feeder rate of pay and be allowed to work locally in either origin or destination city to fill out his/her workday. In regards to the premium service drivers, since some hubs work on Friday and some on Sunday, the Employer may move the fifth (5th) day loads via a TOFC pursuant to Article 26.

- (3) If the Employer cannot accommodate its time and service needs under (1) and (2) above, the Employer shall have the right to propose the use of negotiating unit sleeper teams to the Local Unions and the Joint Premium Service Review Committee as set forth in Section 4 below. The wages and other economic terms of employment for such sleeper teams shall be as set forth below.

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Section 2. Sleeper Team Operations

Existing subcontracted runs which will be replaced with UTS sleeper teams shall be discontinued after a reasonable transition period, and in no event later than February 1, 1998. In addition, the Employer may use subcontractors for new custom contracts for reasonable start-up periods. In no event shall such start-up period exceed thirty (30) days.

(1) - Bidding and Mileage

- (a) Sleeper cab runs approved pursuant to the provisions of Article 4.3 will be posted and employees may bid for such runs in accordance with the bidding procedures set forth in the applicable Supplement, Rider or Addendum. No seniority employee shall be forced to drive in a sleeper cab run. A senior driver who successfully bids a sleeper cab run shall be permitted to select his/her respective sleeper cab team partner without regard to seniority, provided that the driver selected as a partner has, prior to such bid, acknowledged his agreement, in writing, to accept such permanent sleeper cab run driving assignment and provided further that the selected partner possesses the required qualifications.

- (b) There shall be no two (2) person operations on runs of less than five hundred fifty (550) outbound miles and one thousand one hundred (1,100) miles round trip. All bids and cover drivers will receive reasonable time off at their home center. Every team driver shall be guaranteed at least forty (40) hours of pay per week.

(2) - Driver Team

Once driver teams are established it is understood that they are not to be separated unless mutually agreed to by the Employer, the Local Union, and the driver team involved, except in case of emergency or reduction in force. Only two (2) drivers shall be permitted in sleeper cab equipment at any one (1) time except in case of emergency, an Act of God, or where a new type of equipment is put into operation.

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(3) - Furnished Transportation and Lodging

Comfortable, sanitary lodging shall be furnished by the Employer in all cases where an employee is required to take a rest period away from his home center. Air-conditioned hotel rooms shall be furnished. Hotel rooms shall be equipped with blinds or draperies or be suitably darkened during daylight hours. There shall be no bunk beds or double beds and both drivers shall be entitled to a room. All team driver lodging must be maintained on the basis of one (1) driver per room.

Under unusual circumstances in which the Employer is unable to furnish satisfactory lodging, the employee shall be paid fifty dollars (\$50.00) for each rest period; except where accommodation is unavailable at such figure and it is necessary for the driver to pay in excess of fifty dollars (\$50.00), he shall receive reimbursement of the actual cost of the room.

The Employer shall furnish transportation to and from the nearest public transportation, when there is unreasonable delay, at an away-from-home center, provided there is no public transportation available in the near vicinity and provided further that this provision shall not apply where the driver is allowed to use company equipment for transportation.

All time waiting for motel/hotel furnished transportation and/or waiting for a sleeping room to be made available will be paid at the hourly rate of pay.

(4) - Safety and Health Committee

The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is

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to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the manufacturers and/or other experts, develop ways and means to correct such situations. Any disputes will be referred to the Joint Premium Service Review Committee.

(5) - Sleeper Equipment

Newly purchased equipment will meet the following specifications:

(a) Minimum interior dimensions of the sleeper berths shall be:

1. Length - 80 inches;
2. Width - 36 inches; and,
3. Height - 24 inches.

It is understood that a "manufacturing tolerance of error" of one inch (1") is permissible, provided the original specifications were in conformity with the above recommended dimensions.

(b) Sleeper berths shall be equipped with individual heat and air-conditioning controls and units.

(c) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth.

(d) Sleeper equipment shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(e) - Subsistence Allowance

Each employee shall be allowed road expense in the amount of twenty-five dollars (\$25.00) for each one thousand (1000) miles traveled.

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(7) - Delay Time

It is the intent of the parties to make the driver whole for all justified delay time, such as waiting for late loads, unscheduled on property work, accident delay or on road equipment breakdown. Any disputes will be referred to the Joint Premium Service Review Committee

(8) - Solo Driving

There shall be no solo driving permitted in sleeper cab operations, except in cases of emergency. In case of emergency where one (1) driver is used to complete a sleeper cab trip, the driver so used shall receive the full mileage rate of pay per unit mile traveled in addition to all other compensation provided for herein. In cases of emergency solo driving of such length that a rest period is necessary, the driver, in addition, shall be provided the cost of lodging for such rest period.

(9) - Layover Pay

In the event a driver is required to take a rest period during any one (1) round trip away from his home center, the driver shall be compensated at his regular hourly rate of pay for all hours after the first eight (8) hours of the layover.

(10) - Mileage Determination

Sleeper drivers shall be paid for the actual miles that they drive, on a point-to-point basis, over the routes driven.

The basic method of measurement for mileage under this provision will be jointly logging miles with a K-1000 electronic measuring device or calibrated hubometer.

(11) - All new hires will be paid in accordance with the progression set forth in Article 41, Section 2 as applied to the mileage rates set forth below

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Section 3. Mileage Rates

Premium Service drivers will be paid the cents per mile shown below for all miles driven. Sleeper teams will receive a two cents (.02) per mile premium on the appropriate mileage rate and will equally divide the appropriate rate.

| | Single | Double | Triple |
|----------------|-------------|-------------|-------------|
| August 1, 1997 | 47.15 cents | 48.18 cents | 49.21 cents |
| August 1, 1998 | 48.52 cents | 49.58 cents | 50.64 cents |
| August 1, 1999 | 49.88 cents | 50.97 cents | 52.05 cents |
| August 1, 2000 | 51.23 cents | 52.35 cents | 53.46 cents |
| August 1, 2001 | 52.81 cents | 53.97 cents | 55.32 cents |

Section 4. Joint Premium Service Review Committee

The Employer and the Union agree to establish a Joint Premium Service Review Committee consisting of four (4) Union representatives and four (4) Employer representatives. This Committee shall meet at least quarterly or upon the call of either the Union Chair (who shall be appointed by the Union General President) or the Employer Chair.

In the event the Employer proposes to implement either a mileage layover run or sleeper team run in accordance with the provisions of Section 1 above, the run must first be reviewed and approved by the affected Local Union(s). Such approval shall not be unreasonably denied. After approval by the Local Union(s), the accommodation shall be submitted to the Joint Premium Service Review Committee for review. The Employer may also submit the accommodation to the Committee for review in the event approval is denied by the Local Union(s). No such accommodation shall be implemented without the approval of the Parcel & Small Package Division Director or the General President's designee. Approval shall not be unreasonably denied.

The Committee shall also review the Employer's compliance with the provisions of this Article and shall report and recommend

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improvements or alterations in the implementation and operation of premium service and sleeper team drivers.

ARTICLE 44. OVER 70 POUND SERVICE PACKAGE HANDLING

The parties agree that the health and safety of the employees are of the utmost importance. The Employer agrees that UPS management will not insist that any unsafe action be undertaken and the Union agrees to encourage its members to cooperate in effectuating the handling, pick-up and delivery of parcels without exposing themselves to safety hazards.

Section 1. On Area Package Handling

No employee shall be required to handle any over 70 pound packages alone if it is the employee's good faith belief that such handling would be a safety hazard to herself or himself. In such cases, the Employer shall provide whichever of the following is requested in good faith by the employee in handling over 70 pound packages:

1. Another bargaining unit employee for assistance, or
2. Appropriate lifting/handling devices, or
3. Another bargaining unit employee and an appropriate lifting/handling device for handling, pick-up or delivery circumstances that require both bargaining unit help and an appropriate lifting/handling device.

In all such instances involving package car drivers, where assistance from another bargaining unit employee has been requested in good faith, both employees will be full-time employees of the bargaining unit except that air drivers or helpers, where permitted by the applicable Supplement, may be used to assist the full-time driver in the delivery and/or pickup of such overweight packages. On Saturdays, air drivers may be assisted by another air driver in the delivery and/or pickup of overweight packages. A helper may be used to assist a driver in the handling of overweight packages when a helper is already on the package

car in accordance with the terms of the Supplement, Rider or Addendum.

No employee will be required to solicit or accept customer assistance if it is the employee's good faith belief that the customer is not qualified to help or that such assistance would be a safety hazard to themselves or the customer.

All new and existing employees who handle packages shall be provided with periodic training in the recognition and proper handling of over 70 pound packages.

Section 2. Package Identification

The Employer agrees that it will periodically instruct its customers to place at least one (1) over 70 pound label on all such packages shipped, enter the weight of the package on the label and notify the pick-up driver of the over 70 pound packages to be picked up. The driver shall complete and affix as many additional over 70 pound labels and/or identifying tape as is reasonably necessary to provide proper visual identification of the package for safe movement through the system. The label and tape shall be of bright contrasting colors.

Section 3. Inside Package Handling Procedures

For the purpose of inside handling, all over 70 pound packages shall be considered to be irregular shipments and will not be commingled with under 70 pound regular packages. No over 70 pound packages will be placed onto the belt, box line or slide systems used for under 70 pound package operations, except as provided in the Employer's standard irregular handling practices and in accordance with safe packages handling procedures.

Where over 70 pound packages are moved by belt, box line or slide system, such packages will be handled by two (2) bargaining unit employees and/or the use of appropriate lifting/handling devices when requested in good faith by the employee.

Nos over 70 pound package shall be loaded below the flaps of a drop frame trailer or stacked taller than waist high.

Packages over 150 pounds shall not be picked up. However, if such a package is discovered in the UPS system, the package shall not be handled by a bargaining unit employee unless such package can be reasonably broken down into packages which do not exceed 70 pounds.

Section 4.

The parties recognize that it may be necessary to consider new methods and new equipment to handle over 70 pound packages. If either the Union or the Employer believes it is necessary to implement changes in the over 70 pound handling procedures or equipment, including any change in labeling, or if the Employer believes it is necessary to increase the current weight limit or the current limits on package dimensions, it may request a review of such changes. The Employer shall negotiate and reach agreement with the Union before any change is implemented. Neither party shall unreasonably withhold agreement.

If the parties are unable to reach an agreement, a grievance claiming that agreement was unreasonably withheld may be filed by either party directly with the National Safety and Health Grievance Committee in accordance with the provisions of Article 18, Section 20.2

ARTICLE 45. DURATION

Section 1.

This Agreement shall be in full force and effect from August 1, 1997 to and including July 31, 2002 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

Section 2.

Where no such cancellation or termination notice is served and the

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parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, 2002 or July 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

Revisions agreed upon or ordered shall be effective as of August 1, 1997, or August 1st of any subsequent contract year, unless otherwise specifically provided. The Employer or the National Negotiating Committee shall be permitted all legal or economic recourse to support their requests for revisions if the parties fail to agree thereto.

Section 4.

In the event of an inadvertent failure by either party to give notice set forth in Sections 1 and 2 of the Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this _____ day of _____, 1997, to be effective as of August 1, 1997, except as to those areas where it has been otherwise agreed between the parties:

IN WITNESS HEREOF the undersigned do duly execute the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT and Supplemental Agreements, Riders and/or Addenda.

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NEGOTIATING COMMITTEE

For the Employees:

TEAMSTERS NATIONAL UNITED PARCEL SERVICE NEGOTIATING COMMITTEE

| | |
|------------------|----------------------|
| Richard Heck | Jackie Jenkins |
| Phil Young | Ken Wood |
| Hill Lichtenwald | Dan Campbell |
| Mike Simeone | Jack Bookter |
| Tom Trenaman | Carolyn Robinson |
| Gerald Zero | Ken Haarala |
| John McCormick | Gabe Ybarrolaza |
| Jim Cianciolo | Ed Mireles |
| Bob Weber | Raul Lopez |
| Bill Wright | Lou Martino |
| Frank Pusato | Andy Marshall |
| John Jackson | Bob Hasagawa |
| Donald Deivert | Rick Hicks |
| Howard Redmond | Mike McLaughlin |
| Ron Miller | Gerald Hood |
| Robert Piccone | Wesley Jenkins |
| Bill Leary | David Deitrow |
| Mike McGaha | Todd Hartsell |
| Wayne Fomicola | Mike Knear |
| George Cashman | Patricia A. Callahan |
| John Carlett | Ron Candler |
| Val Neal | Robert Fields |
| Bill Cooke | William Kauffman |
| Jim Ambrosio | |
| Ken Redding | |
| John Riojas | |
| Gene Striglers | |

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For the Employer:

UNITED PARCEL SERVICE David Murray, Chairman

| | |
|-----------------|------------------|
| Tom Weidemeyer | Dan Brutto |
| Lew Brinkley | Matt Capozzoli |
| Neil Kanietzko | Peter Lorentzen |
| Ed Lenhart | Dan Flowers |
| Jim Maloney | Bob Ritchie |
| Joe Maloney | Dawn Shanks |
| John McDevitt | Pat Elders |
| Don Hildebrand | Mike Miller |
| John Fitzgerald | Sharon Harter |
| Jack Demsey | Janice Harrigens |
| Ed Burbage | Tom Schultz |
| Vincent Boos | Patrick Riley |
| Larry Burch | Gina Eltrich |
| Mat Faircloth | Patty Notaro |
| Jerry Nerone | John Salomon |
| Dennis Holmes | Ben Mitoro |
| Doyle Carr | Allison Ponder |
| Jerry Gordanier | Mark Soutter |
| Harvey Quinn | John Pirozzi |
| Bill Beem | Jay Lincoln |
| | Tom McGowan |
| | Leon Frankowski |

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